


STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☒

APPLICATION FOR PERMIT TO DRILL						1. WELL NAME and NUMBER ROCK HOUSE 10-23-24-29	
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						3. FIELD OR WILDCAT NATURAL BUTTES	
4. TYPE OF WELL Gas Well Coalbed Methane Well: NO						5. UNIT or COMMUNITIZATION AGREEMENT NAME	
6. NAME OF OPERATOR Enduring Resources, LLC						7. OPERATOR PHONE 303 350-5114	
8. ADDRESS OF OPERATOR 475 17th Street, Suite 1500, Denver, CO, 80202						9. OPERATOR E-MAIL aarlian@enduringresources.com	
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) UTU-75109			11. MINERAL OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>			12. SURFACE OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
13. NAME OF SURFACE OWNER (if box 12 = 'fee')						14. SURFACE OWNER PHONE (if box 12 = 'fee')	
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')						16. SURFACE OWNER E-MAIL (if box 12 = 'fee')	
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')			18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>			19. SLANT VERTICAL <input type="checkbox"/> DIRECTIONAL <input checked="" type="checkbox"/> HORIZONTAL <input type="checkbox"/>	
20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN	
LOCATION AT SURFACE	502 FNL 2138 FWL	NENW	32	10.0 S	23.0 E	S	
Top of Uppermost Producing Zone	660 FSL 1980 FWL	SESW	29	10.0 S	23.0 E	S	
At Total Depth	660 FSL 1980 FWL	SESW	29	10.0 S	23.0 E	S	
21. COUNTY UINTAH		22. DISTANCE TO NEAREST LEASE LINE (Feet) 660		23. NUMBER OF ACRES IN DRILLING UNIT 40			
		25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 1200		26. PROPOSED DEPTH MD: 8021 TVD: 7780			
27. ELEVATION - GROUND LEVEL 5185		28. BOND NUMBER		29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE 49-222			
ATTACHMENTS							
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES							
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER				<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN			
<input checked="" type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)				<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER			
<input checked="" type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)				<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP			
NAME Alvin Arlian		TITLE Landman-Regulatory		PHONE 303 350-5114			
SIGNATURE		DATE 03/10/2009		EMAIL aarlian@enduringresources.com			
API NUMBER ASSIGNED 43047502910000		APPROVAL  Permit Manager					

Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Cond	20	14	0	40		
Pipe	Grade	Length	Weight			
	Grade J-55 ST&C	40	54.5			

CONFIDENTIAL

Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Prod	7.875	4.5	0	8021		
Pipe	Grade	Length	Weight			
	Grade N-80 LT&C	8021	11.6			

CONFIDENTIAL

Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Surf	11	8.625	0	2000		
Pipe	Grade	Length	Weight			
	Grade J-55 ST&C	2000	24.0			

CONFIDENTIAL

Enduring Resources, LLC
Rock House 10-23-24-29 Well

SESW 29-10S-23E (BHL)
BLM Oil & Gas Lease No. UTU-75109

NENW 32-10S-23E (SHL)
SITLA Special Use Permit No. 1590

Uintah County, Utah

ONSHORE ORDER 1 - DRILLING PLAN

1. **Estimated Tops of Geological Markers:**

Formation	Depth (K.B.)
Uinta	Surface
Green River	581
Wasatch	3331
Mesaverde	5171

2. **Estimated Depths of Anticipated Water, Oil, Gas or Other Minerals:**

Substance	Formation	Depth (K.B.) TVD
	KB-Uinta Elevation: 5201' est.	
Oil / Gas	Green River	581
Oil /Gas	Wasatch	3331
Oil /Gas	Mesaverde	5171
	TD	7780

An 11" hole will be drilled to approximately 2000 feet. The depth will be determined by the depth that the Birds Nest zone is encountered. The hole will be drilled 400 feet beyond the top of the Birds Nest zone and surface casing will be set.

3. **Pressure Control Equipment: (3000 psi schematic attached)**

- A. Type: Eleven (11) inch double gate hydraulic BOP with eleven (11) inch annular preventer on 3,000 psi casinghead, with 3,000 psi choke manifold equipped per the attached diagram. BOPE as specified in *Onshore Oil & Gas Order Number 2*. A PVT, stroke counter and flow sensor will be installed to check for flow and monitor pit volume.
- B. Pressure Rating: 3,000 psi BOPE
- C. Kelly will be equipped with upper and lower Kelly valves.

D. Testing Procedure: Annular Preventer

At a minimum, the annular preventer will be pressure tested to 50% of the stack rated working pressure for a period of ten (10) minutes or until provisions of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

1. When the annular preventer is initially installed;
2. Whenever any seal subject to test pressure is broken;
3. Following related repairs; and
4. At thirty (30) day intervals.

In addition to the above, the annular preventer will be functionally operated at least weekly.

Blow-Out Preventer

At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to the approved working pressure of the BOP stack (if isolated from the surface casing by a test plug) or to 70% of the internal yield strength of the surface casing (if the BOP is not isolated from the casing by a test plug). Pressure will be maintained for a period of at least ten (10) minutes or until the requirements of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

1. When the BOP is initially installed;
2. Whenever any seal subject to test pressure is broken;
3. Following related repairs; and
4. At thirty (30) day intervals.

In addition to the above, the pipe and blind rams will be activated each trip, but not more than once each day. All BOP drills and tests will be recorded in the IADC driller's log.

E. Miscellaneous Information:

The blowout preventer and related pressure control equipment will be installed, tested and maintained in compliance with the specifications in and requirements of *Onshore Oil & Gas Order Number 2*.

4. Proposed Casing & Cementing Program:

A. Casing Program: All New

Hole Size	Casing Size	Wt./Ft.	Grade	Joint	Depth Set (MD)
20"	14" O.D.				40' (GL)
11"	8-5/8"	24#	J-55	ST&C	0 – 2016' (KB) est.
7-7/8"	4-1/2"	11.6#	N-80	LT&C	0 – 7780' (KB)

The surface casing will have guide shoe, 1 joint, insert float collar. Centralize the shoe joint with bowspring centralizers in the middle and top of the joint and the next 16 joints with bowspring centralizers on every other collar (8 centralizers total). Thread lock guide shoe.

Casing string(s) will be pressure tested to 0.22 psi/foot of casing string length or 1500 psi, whichever is greater (not to exceed 70% of the internal yield strength of the casing), after cementing and prior to drilling out from under the casing shoe.

B. Casing Design Parameters:

Depth (MD)	Casing	Collapse(psi)/SF	Burst (psi)/SF	Tension(mlbs)/SF
40' (GL)	14" OD			
2016' (KB)	8-5/8", 24#/ft, J55, STC	1370/1.52(a)	2950/3.28(b)	244/5.81(c)
7780' (KB)	4-1/2", 11.6#/ft, N-80, LTC	6350/1.57(d)	7780/2.09 (e)	223/2.88 (f)

- (a.) based on full evacuation of pipe with 8.6 ppg fluid on annulus
- (b.) based on 8.6 ppg gradient with no fluid on annulus
- (c.) based on casing string weight in 8.6 ppg mud
- (d.) based on full evacuation of pipe with 10.0 ppg fluid on annulus
- (e.) based on 9.2 ppg gradient, gas to surface, with no fluid on annulus, no gas gradient
- (f.) based on casing string weight in 9.2 ppg mud

PROPOSED CEMENTING PROGRAM

Surface Casing (if well will circulate)-Cemented to surface

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft ³ /sx)
8-5/8"	Lead	1516	Premium cement + 16% gel + 0.25 pps celloflake	138	25%	11.1	3.50
8-5/8"	Tail	500	Premium cement + 2% CaCl ₂ + 0.25 pps celloflake	138	25%	15.8	1.15

A cement top job is required if cement fallback is greater than 10' below ground level. Top job (weight 15.8 ppg, yield 1.15 ft³/sx) cement will be premium cement w/ 3% CaCl₂ + 0.25 pps celloflake. Volume as required

Surface Casing (if well will not circulate) - Cemented to surface

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft ³ /sx)
8-5/8"	Lead	500	Premium cement + 2% CaCl ₂ + 0.25 pps celloflake	138	25	15.8	1.15
8-5/8"	Top job	As req.	Premium cement + 3% CaCl ₂ + 0.25 pps celloflake	As Req.		15.8	1.15

Production Casing and Liner - Cemented TD to 300' above base of surface casing

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft ³ /sx)
4-1/2"	Lead	1215	Class "G" + 5% NaCl + 12% Gel + 0.25 pps celloflake + 0.2% antifoam + 0.25% fluid loss + 1% extender	107	25	11.0	3.3
4-1/2"	Tail	4849	50/50 POZ Class G + 2% gel +1% CaCl ₂ + 0.2% dispersant + 0.2% fluid loss + 0.1% antifoam	885	25	14.3	1.56

Cement volumes for the 4-1/2" Production Casing will be calculated to provide a top of cement to 300' above base of surface casing. Cement volumes are approximate and were calculated under the assumption that a gauge hole will be achieved. Actual cement volumes may vary due to variations in the actual hole size and will be determined by running a caliper log on the drilled hole. Actual cement types may vary due to hole conditions and cement contractor used.

All waiting on cement (WOC) times will be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

5. Drilling Fluids (mud) Program:

Interval (MD)	Mud Weight	Fluid Loss	Viscosity	Mud Type
0' – 2016' (KB)		No cntrl		Air/mist
2000'-3000' (KB)	8.4-8.6	No cntrl	28-36	Water
3000'-7780' (KB)	8.8-9.8	8 - 10 ml	32-42	Water/Gel

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blowout will be available at the well site during drilling operations.

6. Evaluation Program:

Tests: No tests are currently planned.

Coring: No cores are currently planned.

Samples: No sampling is currently planned.

Logging

- Dual Induction – SFL /Gamma Ray/Caliper/SP/TDLT/CNL/ML
TD to Base Surface Casing
- Cement Bond Log / Gamma Ray:
TD to Base of Surface Casing or Top of Cement if below Base of Surface Casing

Stimulation: A stimulation or frac treatment will be designed for completion of this well based on openhole log analysis. The drill site, as approved, will be sufficient size to accommodate all completion activities.

7. Abnormal Conditions:

No abnormal temperatures or pressures are anticipated. No H₂S has been encountered or known to exist from previous wells drilled to similar depths in the general area.

Maximum anticipated bottom hole pressure equals approximately 4,046 psi (calculated at 0.52 psi/foot of hole) and maximum anticipated surface pressure equals approximately 2,334 psi (anticipated bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot of hole).

8. Anticipated Starting Dates:

- Anticipated Commencement Date- Within one year of APD issue.
- Drilling Days- Approximately 10 days
- Completion Days - Approximately 10 days
- Anticipate location construction within 30 days of permit issue.

9. Variances:

None anticipated

10. Other:

A Cultural Resource Inventory and Paleontology reconnaissance shall be conducted for the well location, access route and pipeline. The reports shall be submitted to the Division of Oil, Gas and Mining and the School and Institutional Trust lands Administration upon their receipt.

A measurement while drilling (MWD) system will be used to track and control the directional path of the wellbore.

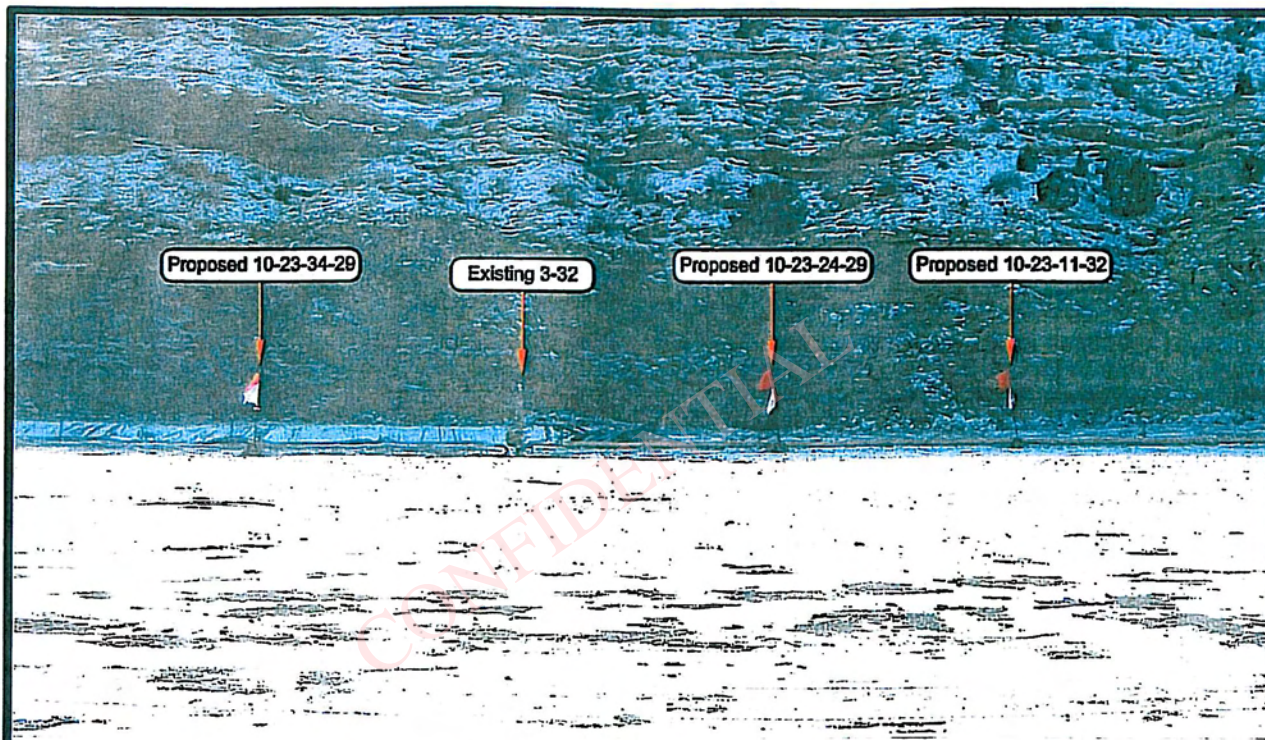


PHOTO VIEW: FROM CORNER #1 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY



PHOTO VIEW: EXISTING ACCESS ROAD

CAMERA ANGLE: SOUTHERLY

ENDURING RESOURCES

Rock House 10-23-24-29

SHL: NENW of Sec. 32, T10S, R23E, S.L.B.&M.
BHL: SESW of Sec. 29, T10S, R23E, S.L.B.&M.

LOCATION PHOTOS

DATE TAKEN: 12-08-15

DATE DRAWN: 12-09-05

TAKEN BY: K.R.K.

DRAWN BY: M.W.W.

REVISED:

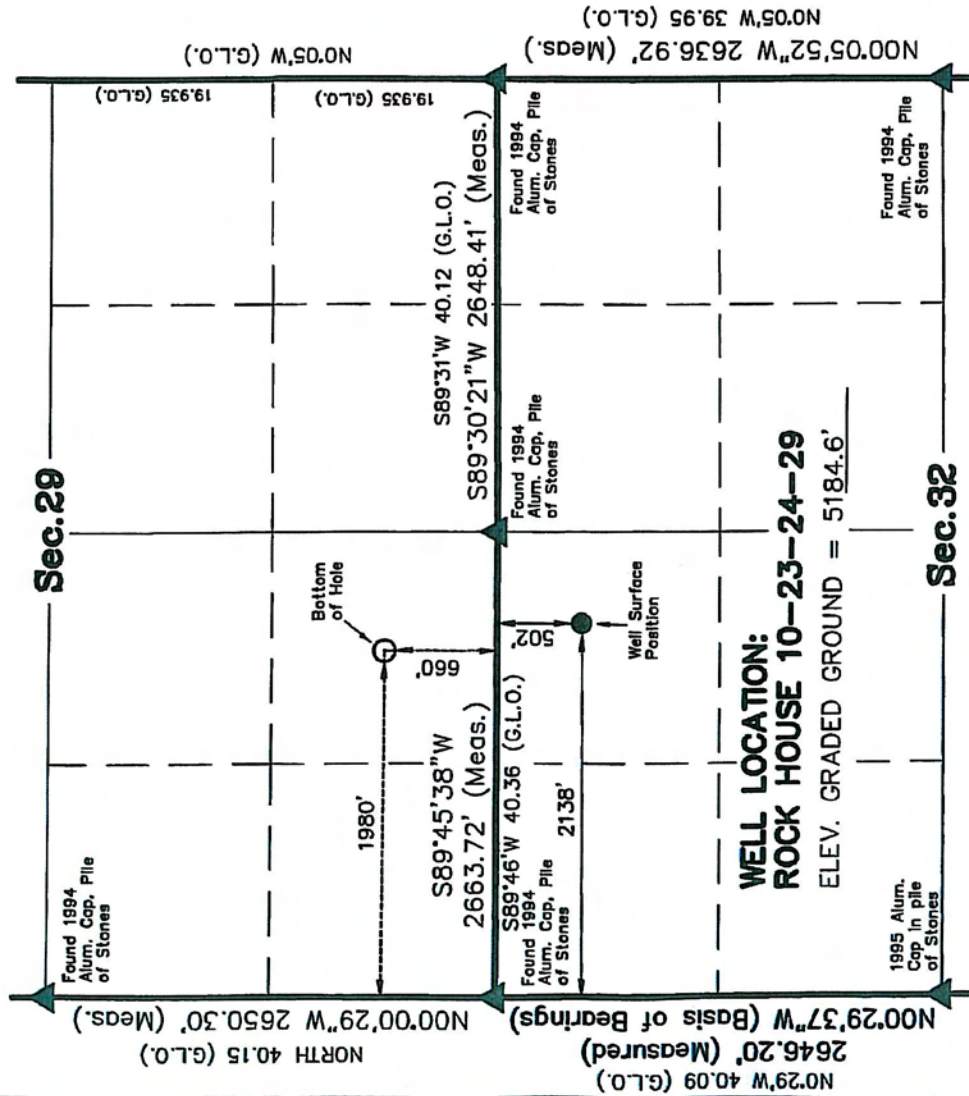
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OF 10

T10S, R23E, S.L.B.&M.

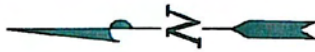
ENDURING RESOURCES

WELL LOCATION, ROCK HOUSE
10-23-24-29, LOCATED AS SHOWN IN
THE SE 1/4 SW 1/4 OF SECTION 29,
T10S, R23E, S.L.B.&M. UINTAH COUNTY,
UTAH.



NOTES:

1. Well footages are measured at right angles to the Section Lines.
2. The Bottom of hole bears N07°57'59\"W 1172.30' from the Surface Position.
3. Bearings are based on Global Positioning Satellite observations.
4. BASIS OF ELEVATION IS TRIANGULATION STATION JEK 19 ET 1966 WHICH IS LOCATED NEAR THE SOUTH 1/4 CORNER OF SECTION 8, T11S, R23E, S.L.B.&M. THE ELEVATION OF THIS TRIANGULATION STATION IS SHOWN ON THE ARCHY BENCH SE 7.5 MIN. QUADRANGLE AS BEING 6054'.



THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

No. 362251
KOLBY R. KAY

REGISTERED LAND SURVEYOR
REGISTRATION No. 362251
STATE OF UTAH

TIMBERLINE LAND SURVEYING, INC.

38 WEST 100 NORTH. - VERNAL, UTAH 84078
(435) 789-1365

DATE SURVEYED:

12-03-05

DATE DRAWN:

12-21-05

SCALE: 1" = 1000'

ROCK HOUSE 10-23-24-29
(Surface Position) NAD 83 Autonomous
LATITUDE = 39° 54' 40.41"
LONGITUDE = 109° 21' 09.49"

ROCK HOUSE 10-23-24-29
(Bottom Hole) NAD 83 Autonomous
LATITUDE = 39° 54' 51.88"
LONGITUDE = 109° 21' 11.57"

= SECTION CORNERS LOCATED

SHEET

2b

OF 10

ENDURING RESOURCES

WELL PAD INTERFERENCE PLAT

ROCK HOUSE 3-32-10-23, ROCK HOUSE 10-23-34-29,
ROCK HOUSE 10-23-24-29 & ROCK HOUSE 10-23-11-32

SURFACE POSITION FOOTAGES:

ROCK HOUSE 10-23-11-32
482' FNL & 2122' FWL

ROCK HOUSE 10-23-24-29
502' FNL & 2138' FWL

ROCK HOUSE 3-32-10-23
521' FNL & 2154' FWL

ROCK HOUSE 10-23-34-29
541' FNL & 2169' FWL

BOTTOM HOLE FOOTAGES

ROCK HOUSE 10-23-11-32
660' FNL & 660' FWL

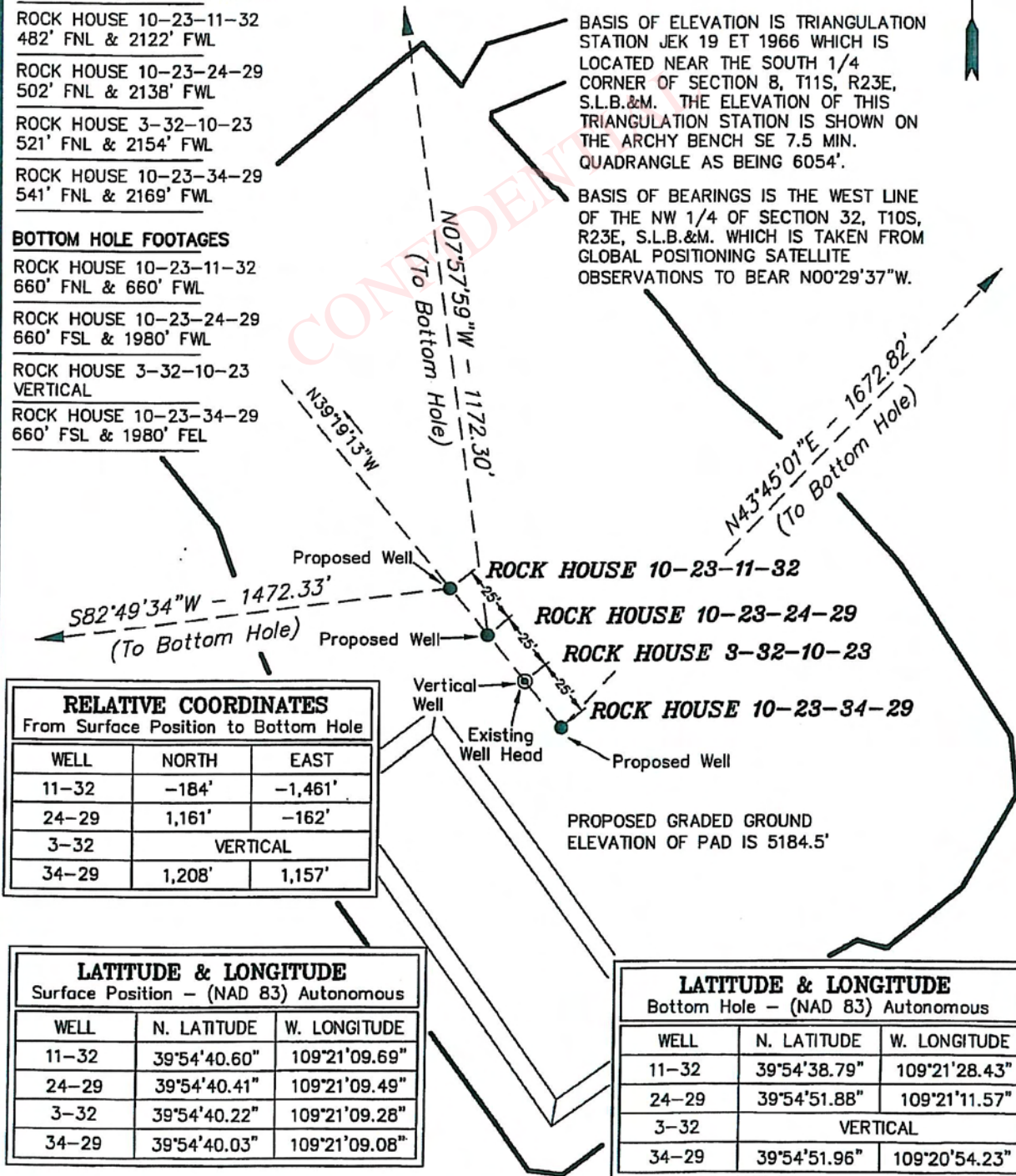
ROCK HOUSE 10-23-24-29
660' FSL & 1980' FWL

ROCK HOUSE 3-32-10-23
VERTICAL

ROCK HOUSE 10-23-34-29
660' FSL & 1980' FEL

BASIS OF ELEVATION IS TRIANGULATION
STATION JEK 19 ET 1966 WHICH IS
LOCATED NEAR THE SOUTH 1/4
CORNER OF SECTION 8, T11S, R23E,
S.L.B.&M. THE ELEVATION OF THIS
TRIANGULATION STATION IS SHOWN ON
THE ARCHY BENCH SE 7.5 MIN.
QUADRANGLE AS BEING 6054'.

BASIS OF BEARINGS IS THE WEST LINE
OF THE NW 1/4 OF SECTION 32, T10S,
R23E, S.L.B.&M. WHICH IS TAKEN FROM
GLOBAL POSITIONING SATELLITE
OBSERVATIONS TO BEAR N00°29'37"W.



Section 32, T10S, R23E, S.L.B.&M.

Qtr/Qtr Location: NE NW

Footage Location: 521' FNL & 2154' FWL

Date Surveyed:
12-03-05

Date Drawn:
12-22-05

Date Last Revision:

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SHEET
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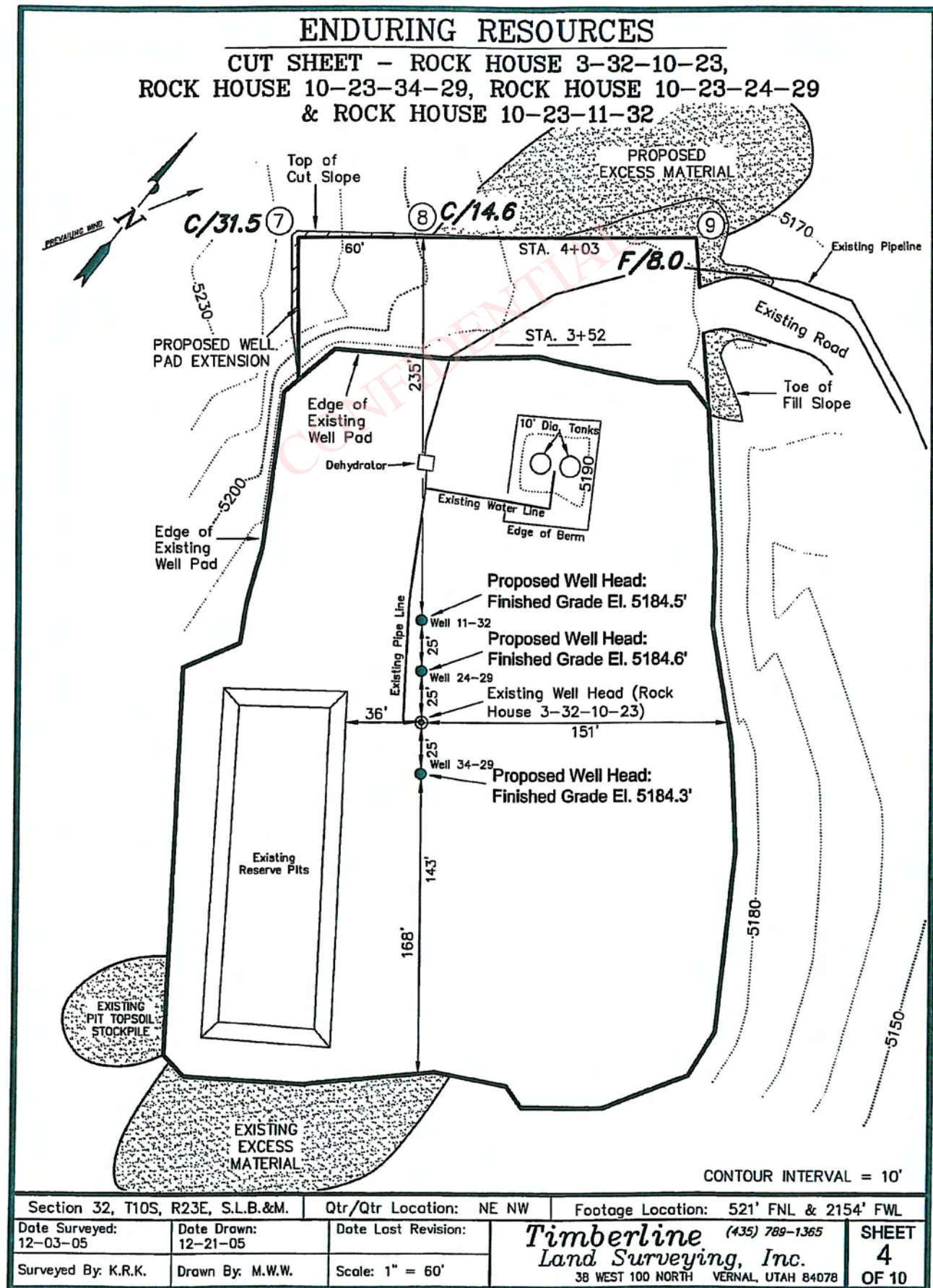
Surveyed By: K.R.K.

Drawn By: M.W.W.

Scale: 1" = 60'

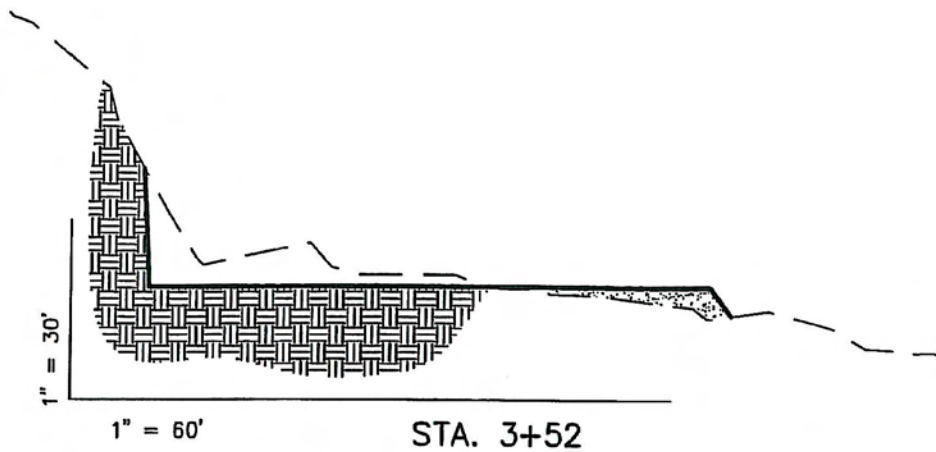
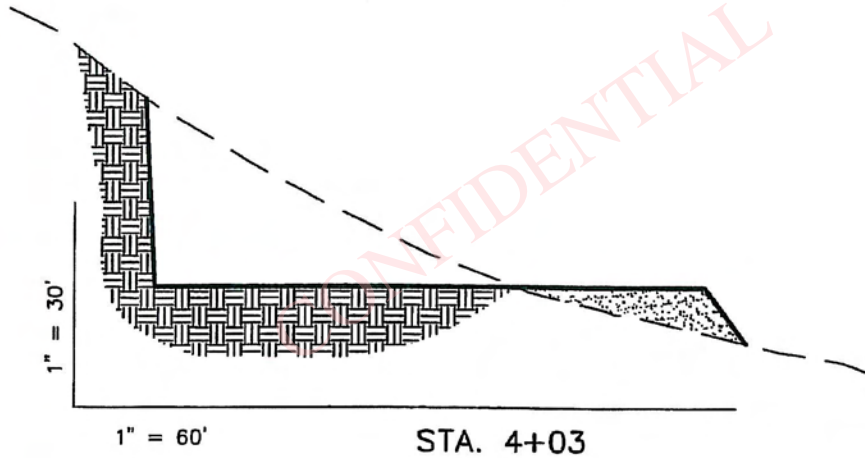
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OF 10



ENDURING RESOURCES

CROSS SECTIONS - ROCK HOUSE 3-32-10-23,
ROCK HOUSE 10-23-34-29, ROCK HOUSE 10-23-24-29
& ROCK HOUSE 10-23-11-32



NOTE:
CUT SLOPES ARE DEPICTED
VERTICALLY TO MATCH
EXISTING PAD
FILL SLOPES ARE AT 1.5:1

Pit overburden is included in pad cut.

ESTIMATED EARTHWORK QUANTITIES
(No shrink or swell adjustments have been used)
(Expressed in Cubic Yards)

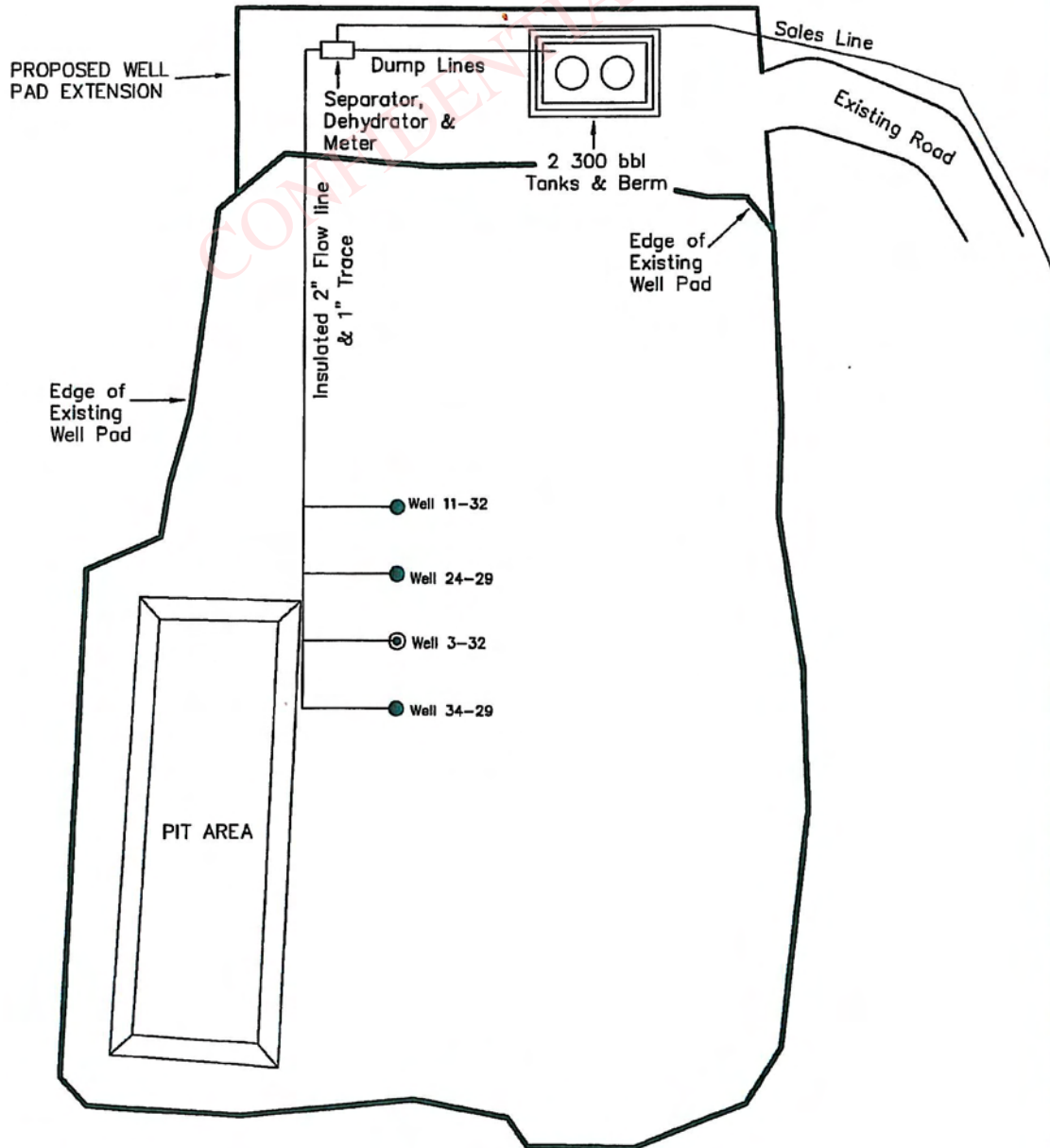
ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	3,280	670	Topsoil is not included in Pad Cut	2,610
PIT	0	0		0
TOTALS	3,280	670	1,560	2,610

Excess Material after Pit Rehabilitation = 2,610 Cu. Yds.

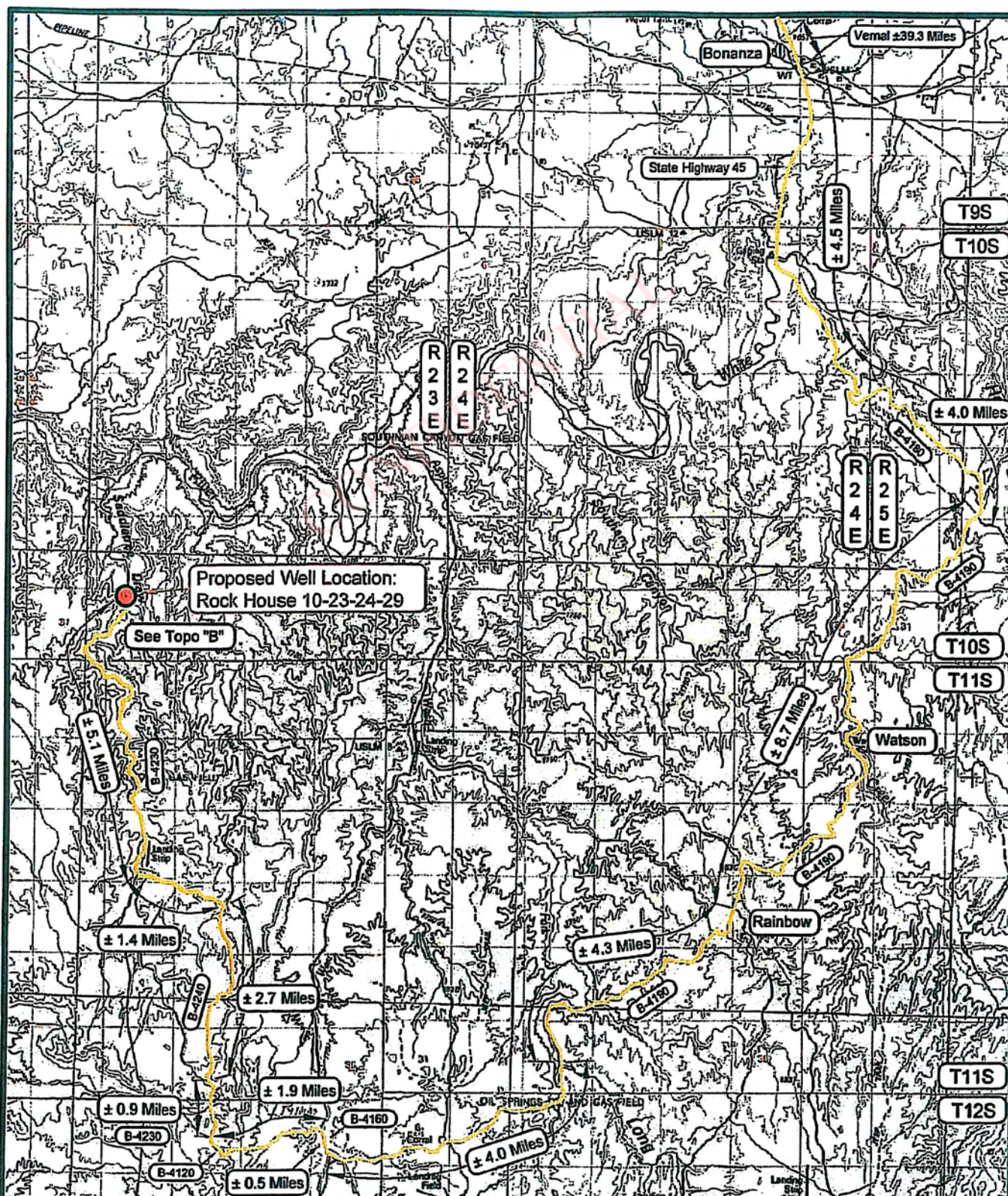
Section 32, T10S, R23E, S.L.B.&M.		Qtr/Qtr Location: NE NW		Footage Location: 521' FNL & 2154' FWL	
Date Surveyed: 12-03-05	Date Drawn: 12-21-05	Date Last Revision:	<div>Timberline</div> <div>Land Surveying, Inc.</div> <div>38 WEST 100 NORTH VERNAL, UTAH 84078</div> <div>(435) 789-1365</div>		SHEET 5 OF 10
Surveyed By: K.R.K.	Drawn By: M.W.W.	Scale: 1" = 60'			

ENDURING RESOURCES

TYPICAL PRODUCTION LAYOUT - ROCK HOUSE 3-32-10-23,
ROCK HOUSE 10-23-34-29, ROCK HOUSE 10-23-24-29
& ROCK HOUSE 10-23-11-32



Section 32, T10S, R23E, S.L.B.&M.		Qtr/Qtr Location: NE NW	Footage Location: 521' FNL & 2154' FWL
Date Surveyed: 12-03-05	Date Drawn: 12-21-05	Date Last Revision:	Timberline (435) 789-1365
Surveyed By: K.R.K.	Drawn By: M.W.W.	Scale: 1" = 60'	Land Surveying, Inc.
			38 WEST 100 NORTH VERNAL, UTAH 84078
			SHEET 7 OF 10



LEGEND

- = PROPOSED WELL LOCATION
- = EXISTING ROAD
- = EXISTING ROAD (TO BE IMPROVED)
- = PROPOSED ACCESS ROAD
- B-5460 = COUNTY ROAD CLASS & NUMBER

TOPOGRAPHIC MAP "A"

SCALE: 1"=10,000'

DRAWN BY: M.W.W.

DATE SURVEYED: 12-08-05

DATE DRAWN: 12-09-05

REVISED: 05-08-06

ENDURING RESOURCES

Rock House 10-23-24-29

SHL: NENW of Sec. 32, T10S, R23E, S.L.B.&M.

BHL: SESW of Sec. 29, T10S, R23E, S.L.B.&M.

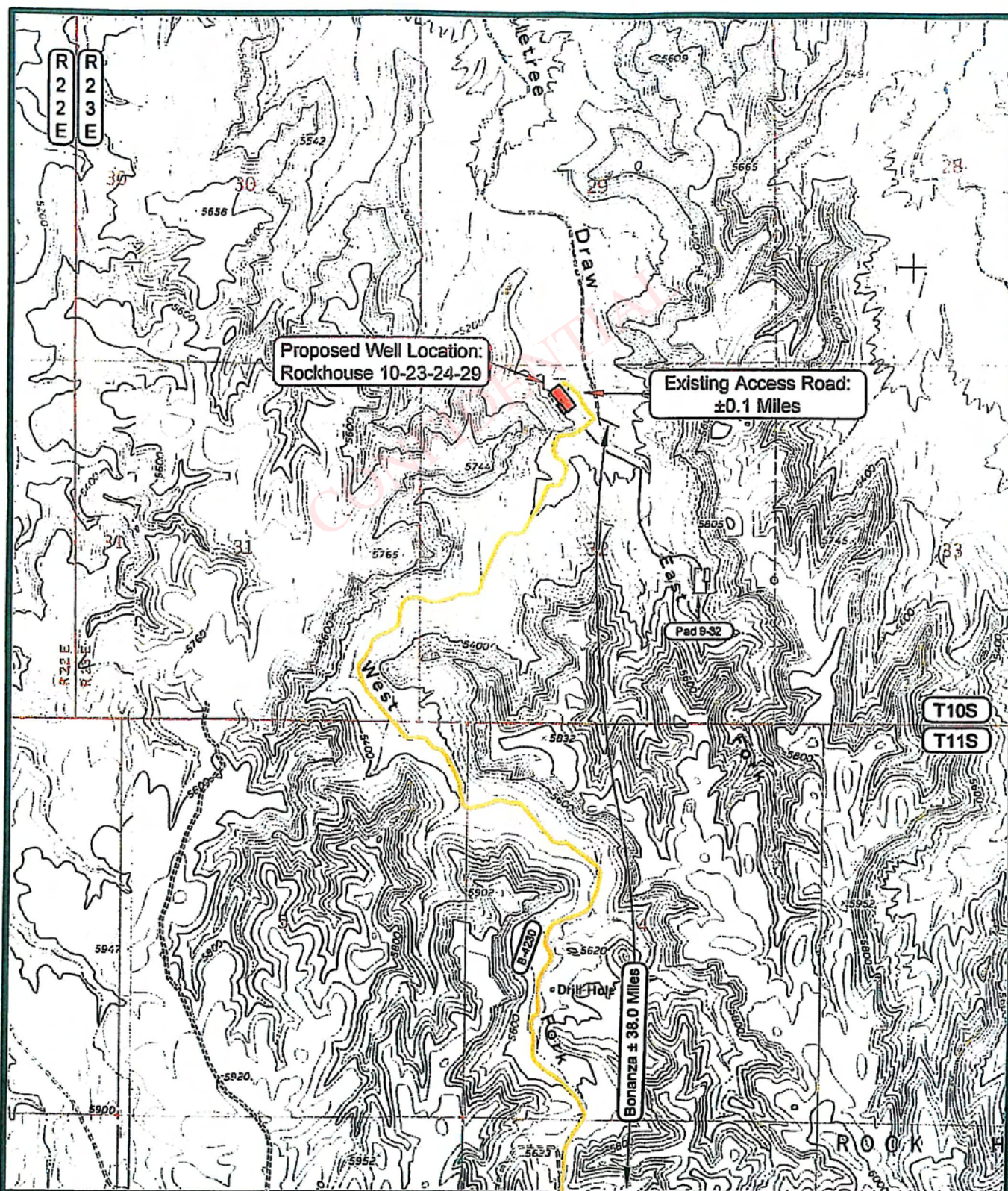
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SHEET

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LEGEND

- PROPOSED ACCESS ROAD
- = SUBJECT WELL
- = SHARED ACCESS
- = EXISTING ROAD
- = EXISTING ROAD (TO BE IMPROVED)
- (B-5460) = COUNTY ROAD CLASS & NUMBER
- = LEASE LINE AND / OR PROPERTY LINE

TOPOGRAPHIC MAP "B"

SCALE: 1" = 2000'

DRAWN BY: M.W.W.

DATE SURVEYED: 12-08-05

DATE DRAWN: 12-09-05

REVISED: 05-08-06

ENDURING RESOURCES

Rock House 10-23-24-29

SHL: NENW of Sec. 32, T10S, R23E, S.L.B.&M.

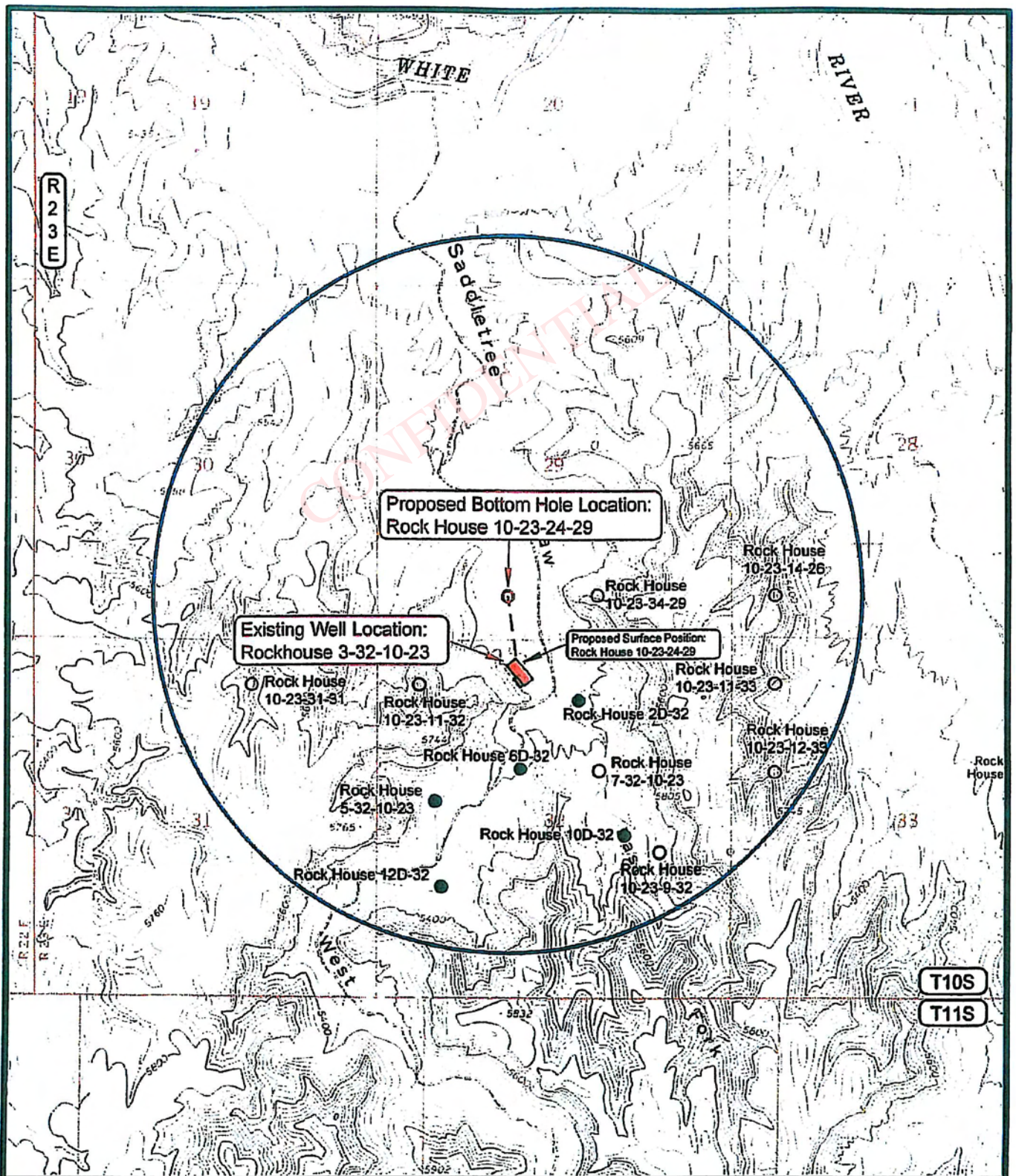
BHL: SESW of Sec. 29, T10S, R23E, S.L.B.&M.

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SHEET
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OF 11



LEGEND

- = DISPOSAL WELL
- = PRODUCING WELL
- = SHUT IN WELL
- = PROPOSED WELL
- = WATER WELL
- = ABANDONED WELL
- = TEMPORARILY ABANDONED WELL
- ⊕ = ABANDONED LOCATION

TOPOGRAPHIC MAP "C"

SCALE: 1" = 2000'

DRAWN BY: M.W.W.

DATE SURVEYED: 12-08-05

DATE DRAWN: 12-09-05

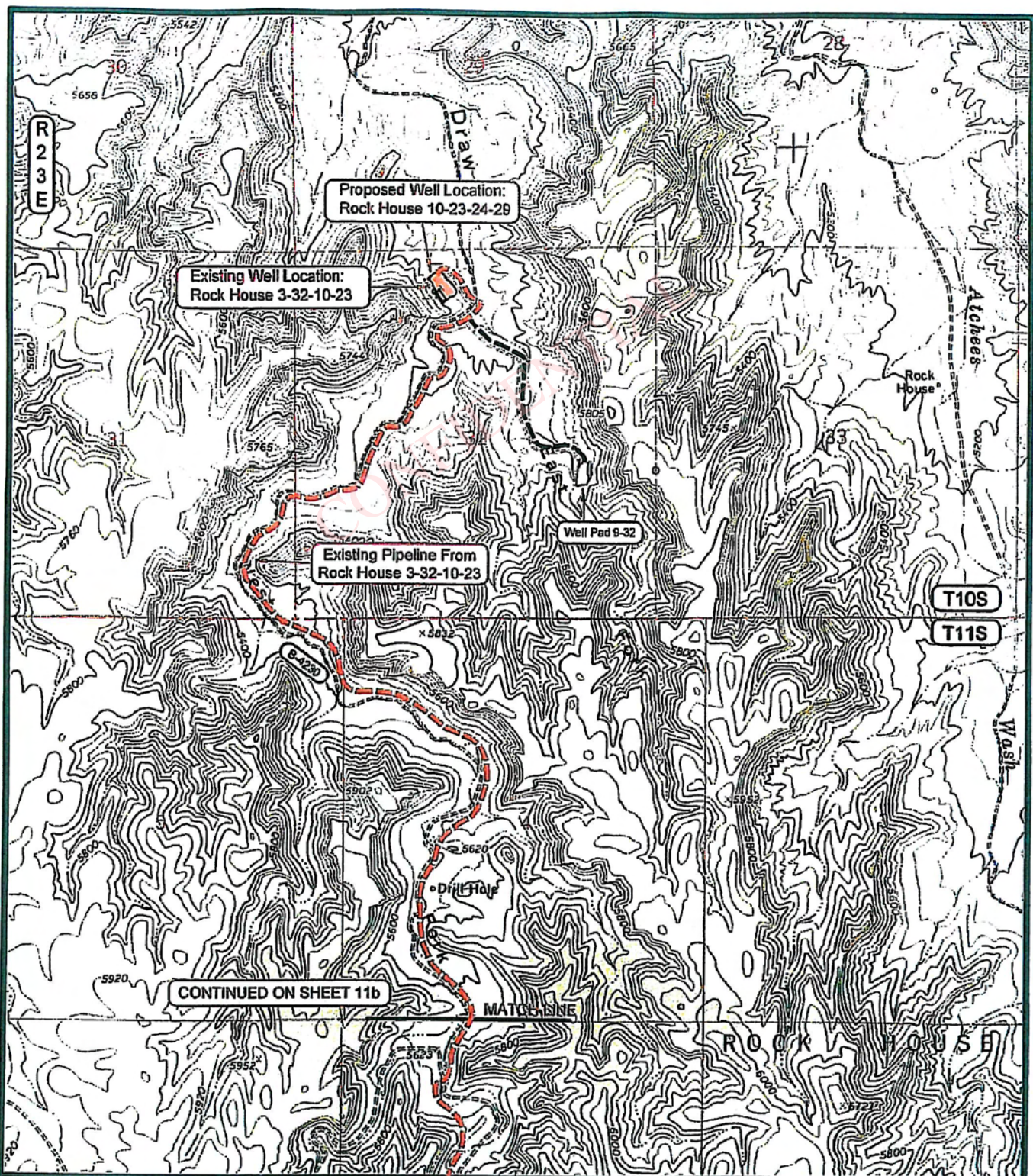
REVISED:

ENDURING RESOURCES

Rock House 10-23-24-29
SECTION 29, T10S, R23E, S.L.B.&M.
Bottom Hole: 660' FSL & 1980' FWL

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 (435) 789-1365

SHEET
10b
OF 10



APPROXIMATE PIPELINE LENGTH = 5.1 Miles

LEGEND

- = SUBJECT PIPELINE
- = OTHER PIPELINE
- = PROPOSED ACCESS ROAD
- = SUBJECT WELL
- = OTHER WELLS
- = LEASE LINE AND / OR PROPERTY LINE
- = COUNTY ROAD CLASS & NUMBER

TOPOGRAPHIC MAP "D"

SCALE: 1" = 2000'

DRAWN BY: M.W.W.

DATE SURVEYED: 12-08-05

DATE DRAWN: 01-12-06

REVISED: 05-08-06

ENDURING RESOURCES

Rock House 10-23-24-29

SHL: NENW of Sec. 32, T10S, R23E, S.L.B.&M.

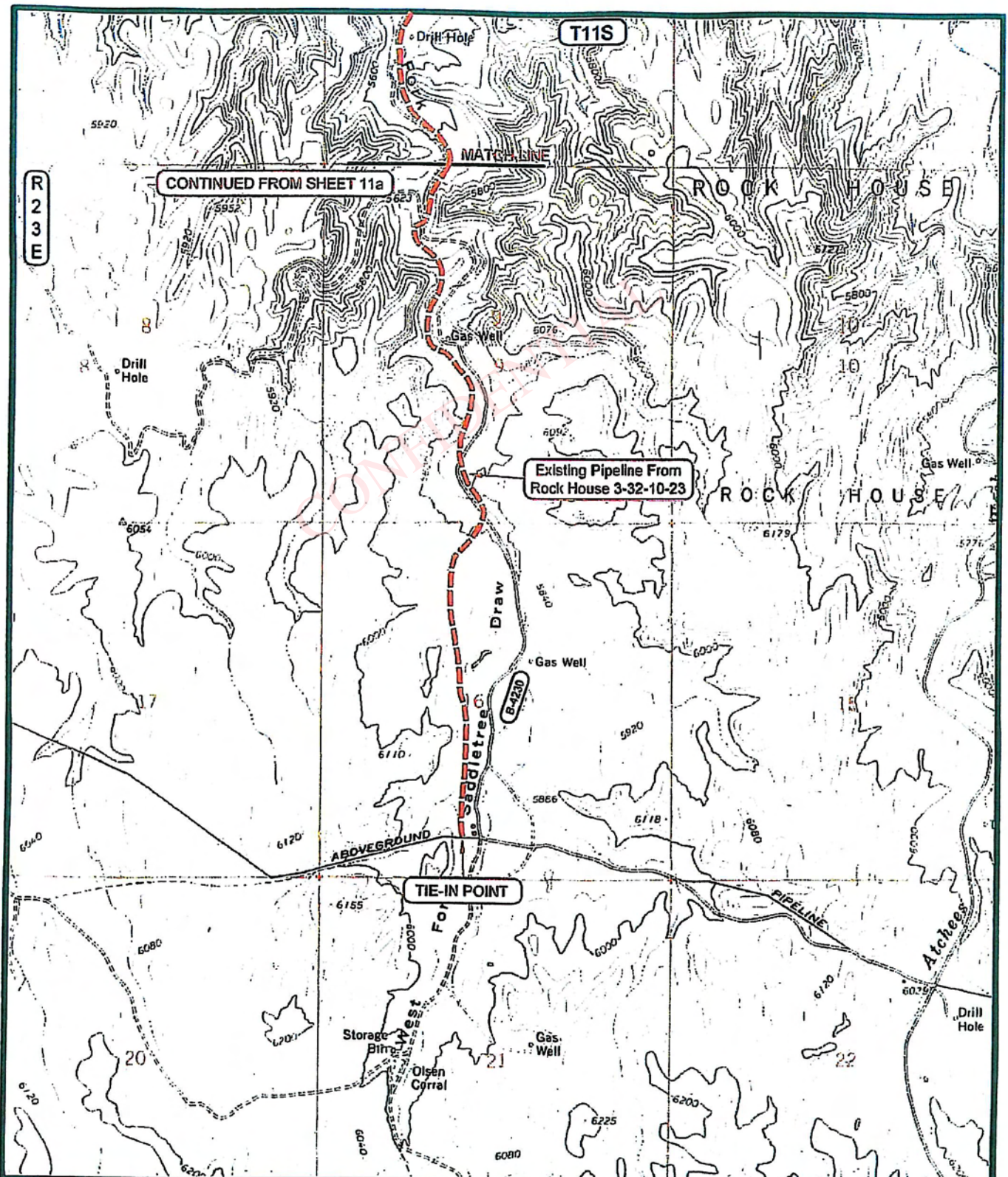
BHL: SESW of Sec. 29, T10S, R23E, S.L.B.&M.

Timberline Land Surveying, Inc.

38 West 100 North Vernal, Utah 84078
(435) 789-1365

SHEET

11a
OF 11



LEGEND

- = SUBJECT PIPELINE
- = OTHER PIPELINE
- = PROPOSED ACCESS ROAD
- = SUBJECT WELL
- = OTHER WELLS
- = LEASE LINE AND / OR PROPERTY LINE
- = COUNTY ROAD CLASS & NUMBER

TOPOGRAPHIC MAP "D"

SCALE: 1" = 2000'

DRAWN BY: M.W.W.

DATE SURVEYED: 12-08-05

DATE DRAWN: 01-12-06

REVISED: 05-08-06

ENDURING RESOURCES

Rock House 10-23-24-29

SHL: NENW of Sec. 32, T10S, R23E, S.L.B.&M.

BHL: SESW of Sec. 29, T10S, R23E, S.L.B.&M.

Timberline Land Surveying, Inc.

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SHEET
11b
OF 11

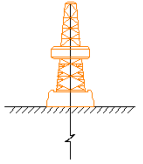


ENDURING RESOURCES
Rock House 10-23-24-29
NE/NW Sec. 32, T10S, R23E
Uintah County, Utah



SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	352.03	0.00	0.00	0.00	0.00	0.00	0.00	
2	2072.00	0.00	352.03	2072.00	0.00	0.00	0.00	0.00	0.00	KOP
3	2983.77	27.35	352.03	2949.53	211.47	-29.61	3.00	352.03	213.54	End Build
4	4373.31	27.35	352.03	4183.71	843.76	-118.13	0.00	0.00	851.99	Start Drop
5	5740.97	0.00	352.03	5500.00	1160.98	-162.54	2.00	180.00	1172.30	Start Hold
6	8020.97	0.00	352.03	7780.00	1160.98	-162.54	0.00	352.03	1172.30	TD



RKB Elevation: 5201.00
Ground Elevation: 5184.60

WELL DETAILS

Name	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
Rock House 10-23-24-29	0.00	0.00	7143631.91	2242693.17	39°54'40.410N	109°21'09.490W	N/A

FIELD DETAILS

Utah, Utah
 Utah Central Zone
 U.S.A.
 Geodetic System: US State Plane Coordinate System 1983
 Ellipsoid: GRS 1980
 Zone: Utah, Central Zone
 Magnetic Model: igrf2005
 System Datum: Mean Sea Level
 Local North: True North

SITE DETAILS

NE/NW 32-10S-23E Pad
 Sec. 32, T10S, R23E, Uintah County, Utah
 502 FNL & 2138 FWL
 Site Centre Latitude: 39°54'40.410N
 Longitude: 109°21'09.490W
 Ground Level: 5184.60
 Positional Uncertainty: 0.00
 Convergence: 1.38

TARGET DETAILS

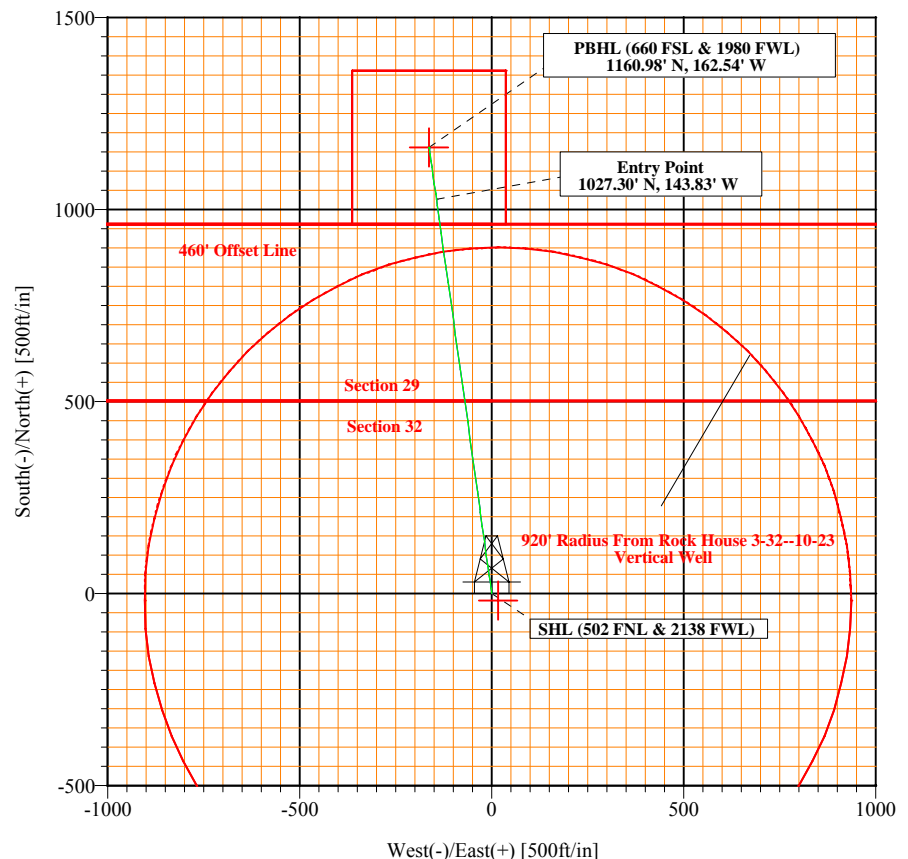
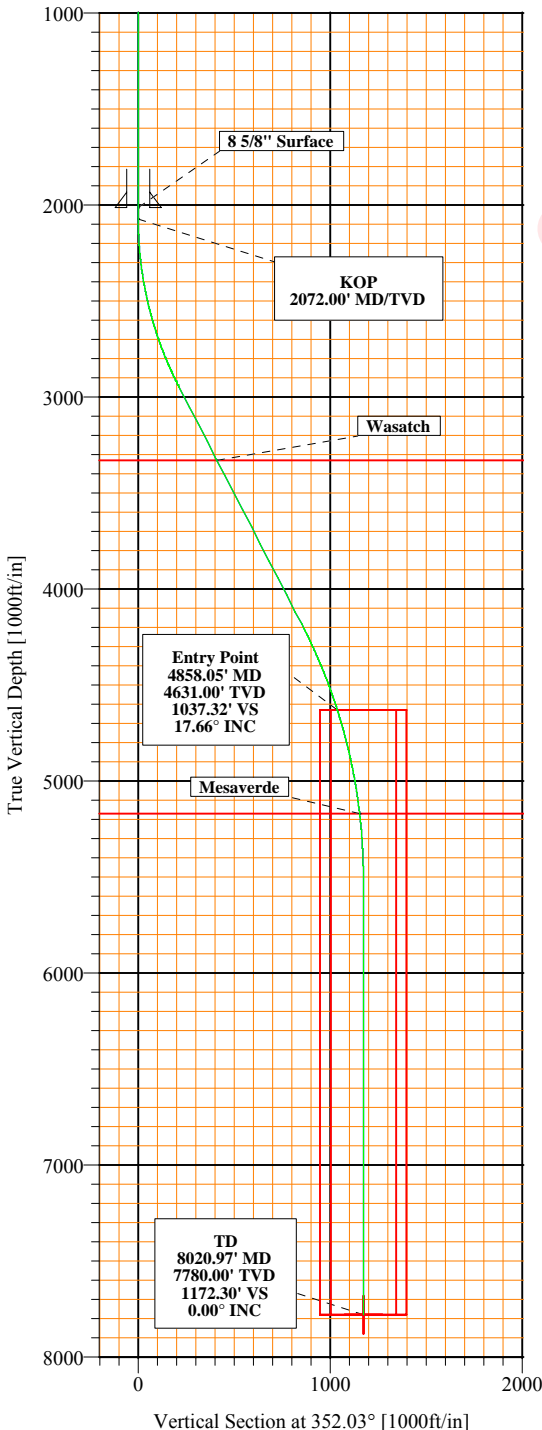
Name	TVD	+N/-S	+E/-W	Shape
Target	7780.00	1160.98	-162.54	Rectangle (400x400)

CASING DETAILS

No.	TVD	MD	Name	Size
1	2012.00	2012.00	8 5/8" Surface	8.625

FORMATION TOP DETAILS

No.	TVDPath	MDPath	Formation
1	581.00	581.00	Green River
2	3331.00	3413.26	Wasatch
3	5171.00	5411.24	Mesaverde



Weatherford International

Planning Report

Company: Enduring Resources Field: Uintah, Utah Site: NE/NW 32-10S-23E Pad Well: Rock House 10-23-24-29 Wellpath: 1	Date: 3/16/2006 Co-ordinate(NE) Reference: Well: Rock House 10-23-24-29, True North Vertical (TVD) Reference: SITE 5201.0 Section (VS) Reference: Well (0.00N,0.00E,352.03Azi) Plan: Plan #1	Time: 13:15:32 Page: 1
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Field: Uintah, Utah Utah Central Zone U.S.A. Map System: US State Plane Coordinate System 1983 Geo Datum: GRS 1980 Sys Datum: Mean Sea Level	Map Zone: Utah, Central Zone Coordinate System: Well Centre Geomagnetic Model: igrf2005
---	--

Site: NE/NW 32-10S-23E Pad Sec. 32, T10S, R23E, Uintah County, Utah 502 FNL & 2138 FWL Site Position: From: Geographic Position Uncertainty: 0.00 ft Ground Level: 5184.60 ft	Northing: 7143631.91 ft Easting: 2242693.17 ft Latitude: 39 54 40.410 N Longitude: 109 21 9.490 W North Reference: True Grid Convergence: 1.38 deg
--	---

Well: Rock House 10-23-24-29 Well Position: +N/-S 0.00 ft +E/-W 0.00 ft Position Uncertainty: 0.00 ft	Slot Name: Latitude: 39 54 40.410 N Longitude: 109 21 9.490 W
---	--

Wellpath: 1 Current Datum: SITE Magnetic Data: 3/16/2006 Field Strength: 52880 nT Vertical Section: Depth From (TVD) ft 7780.00	Drilled From: Surface Tie-on Depth: 0.00 ft Above System Datum: Mean Sea Level Declination: 11.67 deg Mag Dip Angle: 65.96 deg +N/-S ft 0.00 +E/-W ft 0.00 Direction deg 352.03
---	---

Plan: Plan #1 Principal: Yes	Date Composed: 3/16/2006 Version: 1 Tied-to: From Surface
---	--

Plan Section Information										
MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
0.00	0.00	352.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2072.00	0.00	352.03	2072.00	0.00	0.00	0.00	0.00	0.00	0.00	
2983.77	27.35	352.03	2949.53	211.47	-29.61	3.00	3.00	0.00	352.03	
4373.31	27.35	352.03	4183.71	843.76	-118.13	0.00	0.00	0.00	0.00	
5740.97	0.00	352.03	5500.00	1160.98	-162.54	2.00	-2.00	0.00	180.00	
8020.97	0.00	352.03	7780.00	1160.98	-162.54	0.00	0.00	0.00	352.03	Target

Section 1 : Start Hold										
MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
0.00	0.00	352.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2000.00	0.00	352.03	2000.00	0.00	0.00	0.00	0.00	0.00	0.00	352.03
2012.00	0.00	352.03	2012.00	0.00	0.00	0.00	0.00	0.00	0.00	352.03
2072.00	0.00	352.03	2072.00	0.00	0.00	0.00	0.00	0.00	0.00	352.03

Section 2 : Start Build 3.00										
MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
2100.00	0.84	352.03	2100.00	0.20	-0.03	0.21	3.00	3.00	0.00	0.00
2200.00	3.84	352.03	2199.90	4.25	-0.59	4.29	3.00	3.00	0.00	0.00
2300.00	6.84	352.03	2299.46	13.46	-1.88	13.59	3.00	3.00	0.00	0.00
2400.00	9.84	352.03	2398.39	27.82	-3.90	28.10	3.00	3.00	0.00	0.00
2500.00	12.84	352.03	2496.43	47.30	-6.62	47.76	3.00	3.00	0.00	0.00
2600.00	15.84	352.03	2593.30	71.82	-10.06	72.52	3.00	3.00	0.00	0.00
2700.00	18.84	352.03	2688.74	101.33	-14.19	102.32	3.00	3.00	0.00	0.00
2800.00	21.84	352.03	2782.50	135.75	-19.01	137.08	3.00	3.00	0.00	0.00
2900.00	24.84	352.03	2874.30	174.99	-24.50	176.69	3.00	3.00	0.00	0.00

Weatherford International

Planning Report

Company: Enduring Resources	Date: 3/16/2006	Time: 13:15:32	Page: 2
Field: Uintah, Utah	Co-ordinate(NE) Reference: Well: Rock House 10-23-24-29, True North		
Site: NE/NW 32-10S-23E Pad	Vertical (TVD) Reference: SITE 5201.0		
Well: Rock House 10-23-24-29	Section (VS) Reference: Well (0.00N,0.00E,352.03Azi)		
Wellpath: 1	Plan: Plan #1		

Section 2 : Start Build 3.00

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
2983.77	27.35	352.03	2949.53	211.47	-29.61	213.54	3.00	3.00	0.00	0.00

Section 3 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
3000.00	27.35	352.03	2963.94	218.86	-30.64	221.00	0.00	0.00	0.00	0.00
3100.00	27.35	352.03	3052.76	264.36	-37.01	266.94	0.00	0.00	0.00	0.00
3200.00	27.35	352.03	3141.58	309.87	-43.38	312.89	0.00	0.00	0.00	0.00
3300.00	27.35	352.03	3230.40	355.37	-49.75	358.84	0.00	0.00	0.00	0.00
3400.00	27.35	352.03	3319.22	400.87	-56.13	404.78	0.00	0.00	0.00	0.00
3413.26	27.35	352.03	3331.00	406.91	-56.97	410.88	0.00	0.00	0.00	0.00
3500.00	27.35	352.03	3408.04	446.38	-62.50	450.73	0.00	0.00	0.00	0.00
3600.00	27.35	352.03	3496.86	491.88	-68.87	496.68	0.00	0.00	0.00	0.00
3700.00	27.35	352.03	3585.68	537.38	-75.24	542.63	0.00	0.00	0.00	0.00
3800.00	27.35	352.03	3674.50	582.89	-81.61	588.57	0.00	0.00	0.00	0.00
3900.00	27.35	352.03	3763.32	628.39	-87.98	634.52	0.00	0.00	0.00	0.00
4000.00	27.35	352.03	3852.14	673.89	-94.35	680.47	0.00	0.00	0.00	0.00
4100.00	27.35	352.03	3940.96	719.40	-100.72	726.41	0.00	0.00	0.00	0.00
4200.00	27.35	352.03	4029.77	764.90	-107.09	772.36	0.00	0.00	0.00	0.00
4300.00	27.35	352.03	4118.59	810.40	-113.46	818.31	0.00	0.00	0.00	0.00
4373.31	27.35	352.03	4183.71	843.76	-118.13	851.99	0.00	0.00	0.00	0.00

Section 4 : Start Drop -2.00

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
4400.00	26.82	352.03	4207.47	855.80	-119.82	864.15	2.00	-2.00	0.00	180.00
4500.00	24.82	352.03	4297.48	898.93	-125.86	907.70	2.00	-2.00	0.00	180.00
4600.00	22.82	352.03	4388.96	938.92	-131.46	948.08	2.00	-2.00	0.00	180.00
4700.00	20.82	352.03	4481.79	975.73	-136.61	985.25	2.00	-2.00	0.00	180.00
4800.00	18.82	352.03	4575.86	1009.31	-141.31	1019.15	2.00	-2.00	0.00	180.00
4858.05	17.66	352.03	4631.00	1027.30	-143.83	1037.32	2.00	-2.00	0.00	180.00
4900.00	16.82	352.03	4671.06	1039.61	-145.55	1049.75	2.00	-2.00	0.00	-180.00
5000.00	14.82	352.03	4767.27	1066.61	-149.33	1077.01	2.00	-2.00	0.00	180.00
5100.00	12.82	352.03	4864.37	1090.26	-152.64	1100.89	2.00	-2.00	0.00	180.00
5200.00	10.82	352.03	4962.24	1110.54	-155.48	1121.38	2.00	-2.00	0.00	180.00
5300.00	8.82	352.03	5060.77	1127.43	-157.85	1138.43	2.00	-2.00	0.00	180.00
5400.00	6.82	352.03	5159.84	1140.91	-159.73	1152.03	2.00	-2.00	0.00	180.00
5411.24	6.59	352.03	5171.00	1142.21	-159.92	1153.35	2.00	-2.00	0.00	180.00
5500.00	4.82	352.03	5259.32	1150.95	-161.14	1162.17	2.00	-2.00	0.00	-180.00
5600.00	2.82	352.03	5359.09	1157.54	-162.06	1168.83	2.00	-2.00	0.00	180.00
5700.00	0.82	352.03	5459.04	1160.69	-162.50	1172.01	2.00	-2.00	0.00	180.00
5740.97	0.00	352.03	5500.00	1160.98	-162.54	1172.30	2.00	-2.00	0.00	-180.00

Section 5 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
5800.00	0.00	352.03	5559.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	352.03
5900.00	0.00	352.03	5659.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	352.03
6000.00	0.00	352.03	5759.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	352.03
6100.00	0.00	352.03	5859.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	352.03
6200.00	0.00	352.03	5959.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	352.03
6300.00	0.00	352.03	6059.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	352.03
6400.00	0.00	352.03	6159.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	352.03
6500.00	0.00	352.03	6259.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	352.03
6600.00	0.00	352.03	6359.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	352.03
6700.00	0.00	352.03	6459.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	352.03
6800.00	0.00	352.03	6559.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	352.03
6900.00	0.00	352.03	6659.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	352.03
7000.00	0.00	352.03	6759.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	352.03
7100.00	0.00	352.03	6859.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	352.03
7200.00	0.00	352.03	6959.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	352.03

Weatherford International

Planning Report

Company: Enduring Resources	Date: 3/16/2006	Time: 13:15:32	Page: 3
Field: Uintah, Utah	Co-ordinate(NE) Reference: Well: Rock House 10-23-24-29, True North		
Site: NE/NW 32-10S-23E Pad	Vertical (TVD) Reference: SITE 5201.0		
Well: Rock House 10-23-24-29	Section (VS) Reference: Well (0.00N,0.00E,352.03Azi)		
Wellpath: 1	Plan: Plan #1		

Section 5 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
7300.00	0.00	352.03	7059.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	352.03
7400.00	0.00	352.03	7159.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	352.03
7500.00	0.00	352.03	7259.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	352.03
7600.00	0.00	352.03	7359.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	352.03
7700.00	0.00	352.03	7459.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	352.03
7800.00	0.00	352.03	7559.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	352.03
7900.00	0.00	352.03	7659.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	352.03
8000.00	0.00	352.03	7759.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	352.03
8020.97	0.00	352.03	7780.00	1160.98	-162.54	1172.30	0.00	0.00	0.00	352.03

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
2000.00	0.00	352.03	2000.00	0.00	0.00	0.00	0.00	0.00	0.00	MWD
2012.00	0.00	352.03	2012.00	0.00	0.00	0.00	0.00	0.00	0.00	8 5/8" Surface
2072.00	0.00	352.03	2072.00	0.00	0.00	0.00	0.00	0.00	0.00	KOP
2100.00	0.84	352.03	2100.00	0.20	-0.03	0.21	3.00	3.00	0.00	MWD
2200.00	3.84	352.03	2199.90	4.25	-0.59	4.29	3.00	3.00	0.00	MWD
2300.00	6.84	352.03	2299.46	13.46	-1.88	13.59	3.00	3.00	0.00	MWD
2400.00	9.84	352.03	2398.39	27.82	-3.90	28.10	3.00	3.00	0.00	MWD
2500.00	12.84	352.03	2496.43	47.30	-6.62	47.76	3.00	3.00	0.00	MWD
2600.00	15.84	352.03	2593.30	71.82	-10.06	72.52	3.00	3.00	0.00	MWD
2700.00	18.84	352.03	2688.74	101.33	-14.19	102.32	3.00	3.00	0.00	MWD
2800.00	21.84	352.03	2782.50	135.75	-19.01	137.08	3.00	3.00	0.00	MWD
2900.00	24.84	352.03	2874.30	174.99	-24.50	176.69	3.00	3.00	0.00	MWD
2983.77	27.35	352.03	2949.53	211.47	-29.61	213.54	3.00	3.00	0.00	End Build
3000.00	27.35	352.03	2963.94	218.86	-30.64	221.00	0.00	0.00	0.00	MWD
3100.00	27.35	352.03	3052.76	264.36	-37.01	266.94	0.00	0.00	0.00	MWD
3200.00	27.35	352.03	3141.58	309.87	-43.38	312.89	0.00	0.00	0.00	MWD
3300.00	27.35	352.03	3230.40	355.37	-49.75	358.84	0.00	0.00	0.00	MWD
3400.00	27.35	352.03	3319.22	400.87	-56.13	404.78	0.00	0.00	0.00	MWD
3413.26	27.35	352.03	3331.00	406.91	-56.97	410.88	0.00	0.00	0.00	Wasatch
3500.00	27.35	352.03	3408.04	446.38	-62.50	450.73	0.00	0.00	0.00	MWD
3600.00	27.35	352.03	3496.86	491.88	-68.87	496.68	0.00	0.00	0.00	MWD
3700.00	27.35	352.03	3585.68	537.38	-75.24	542.63	0.00	0.00	0.00	MWD
3800.00	27.35	352.03	3674.50	582.89	-81.61	588.57	0.00	0.00	0.00	MWD
3900.00	27.35	352.03	3763.32	628.39	-87.98	634.52	0.00	0.00	0.00	MWD
4000.00	27.35	352.03	3852.14	673.89	-94.35	680.47	0.00	0.00	0.00	MWD
4100.00	27.35	352.03	3940.96	719.40	-100.72	726.41	0.00	0.00	0.00	MWD
4200.00	27.35	352.03	4029.77	764.90	-107.09	772.36	0.00	0.00	0.00	MWD
4300.00	27.35	352.03	4118.59	810.40	-113.46	818.31	0.00	0.00	0.00	MWD
4373.31	27.35	352.03	4183.71	843.76	-118.13	851.99	0.00	0.00	0.00	Start Drop
4400.00	26.82	352.03	4207.47	855.80	-119.82	864.15	2.00	-2.00	0.00	MWD
4500.00	24.82	352.03	4297.48	898.93	-125.86	907.70	2.00	-2.00	0.00	MWD
4600.00	22.82	352.03	4388.96	938.92	-131.46	948.08	2.00	-2.00	0.00	MWD
4700.00	20.82	352.03	4481.79	975.73	-136.61	985.25	2.00	-2.00	0.00	MWD
4800.00	18.82	352.03	4575.86	1009.31	-141.31	1019.15	2.00	-2.00	0.00	MWD
4858.05	17.66	352.03	4631.00	1027.30	-143.83	1037.32	2.00	-2.00	0.00	Entry Point
4900.00	16.82	352.03	4671.06	1039.61	-145.55	1049.75	2.00	-2.00	0.00	MWD
5000.00	14.82	352.03	4767.27	1066.61	-149.33	1077.01	2.00	-2.00	0.00	MWD
5100.00	12.82	352.03	4864.37	1090.26	-152.64	1100.89	2.00	-2.00	0.00	MWD
5200.00	10.82	352.03	4962.24	1110.54	-155.48	1121.38	2.00	-2.00	0.00	MWD
5300.00	8.82	352.03	5060.77	1127.43	-157.85	1138.43	2.00	-2.00	0.00	MWD
5400.00	6.82	352.03	5159.84	1140.91	-159.73	1152.03	2.00	-2.00	0.00	MWD
5411.24	6.59	352.03	5171.00	1142.21	-159.92	1153.35	2.00	-2.00	0.00	Mesaverde

Weatherford International

Planning Report

Company: Enduring Resources	Date: 3/16/2006	Time: 13:15:32	Page: 4
Field: Uintah, Utah	Co-ordinate(NE) Reference: Well: Rock House 10-23-24-29, True North		
Site: NE/NW 32-10S-23E Pad	Vertical (TVD) Reference: SITE 5201.0		
Well: Rock House 10-23-24-29	Section (VS) Reference: Well (0.00N,0.00E,352.03Azi)		
Wellpath: 1	Plan: Plan #1		

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
5500.00	4.82	352.03	5259.32	1150.95	-161.14	1162.17	2.00	-2.00	0.00	MWD
5600.00	2.82	352.03	5359.09	1157.54	-162.06	1168.83	2.00	-2.00	0.00	MWD
5700.00	0.82	352.03	5459.04	1160.69	-162.50	1172.01	2.00	-2.00	0.00	MWD
5740.97	0.00	352.03	5500.00	1160.98	-162.54	1172.30	2.00	-2.00	0.00	Start Hold
5800.00	0.00	352.03	5559.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	MWD
5900.00	0.00	352.03	5659.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	MWD
6000.00	0.00	352.03	5759.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	MWD
6100.00	0.00	352.03	5859.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	MWD
6200.00	0.00	352.03	5959.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	MWD
6300.00	0.00	352.03	6059.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	MWD
6400.00	0.00	352.03	6159.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	MWD
6500.00	0.00	352.03	6259.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	MWD
6600.00	0.00	352.03	6359.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	MWD
6700.00	0.00	352.03	6459.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	MWD
6800.00	0.00	352.03	6559.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	MWD
6900.00	0.00	352.03	6659.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	MWD
7000.00	0.00	352.03	6759.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	MWD
7100.00	0.00	352.03	6859.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	MWD
7200.00	0.00	352.03	6959.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	MWD
7300.00	0.00	352.03	7059.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	MWD
7400.00	0.00	352.03	7159.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	MWD
7500.00	0.00	352.03	7259.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	MWD
7600.00	0.00	352.03	7359.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	MWD
7700.00	0.00	352.03	7459.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	MWD
7800.00	0.00	352.03	7559.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	MWD
7900.00	0.00	352.03	7659.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	MWD
8000.00	0.00	352.03	7759.03	1160.98	-162.54	1172.30	0.00	0.00	0.00	MWD
8020.97	0.00	352.03	7780.00	1160.98	-162.54	1172.30	0.00	0.00	0.00	TD

Targets

Name	Description Dip.	Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<--- Latitude ---> Deg Min Sec	<--- Longitude ---> Deg Min Sec
Target			7780.00	1160.98	-162.54	7144788.65	2242502.80	39 54 51.884 N	109 21 11.576 W
-Rectangle (400x400)									
-Plan hit target									

Casing Points

MD ft	TVD ft	Diameter in	Hole Size in	Name
2012.00	2012.00	8.625	12.250	8 5/8" Surface

Formations

MD ft	TVD ft	Formations	Lithology	Dip Angle deg	Dip Direction deg
581.00	581.00	Green River		0.00	0.00
3413.26	3331.00	Wasatch		0.00	0.00
5411.24	5171.00	Mesaverde		0.00	0.00

Weatherford International

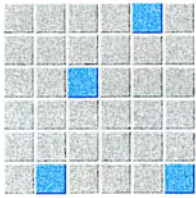
Planning Report

Company: Enduring Resources	Date: 3/16/2006	Time: 13:15:32	Page: 5
Field: Uintah, Utah	Co-ordinate(NE) Reference: Well: Rock House 10-23-24-29, True North		
Site: NE/NW 32-10S-23E Pad	Vertical (TVD) Reference: SITE 5201.0		
Well: Rock House 10-23-24-29	Section (VS) Reference: Well (0.00N,0.00E,352.03Azi)		
Wellpath: 1	Plan: Plan #1		

Annotation

MD ft	TVD ft	
2072.00	2072.00	SHL (502 FNL & 2138 FWL)
2983.77	2949.53	KOP
4373.31	4183.71	End Build
4858.05	4631.00	Start Drop
5740.97	5500.00	Entry Point
8020.97	7780.00	Start Hold
8020.97	7780.00	PBHL (660 FSL & 1980 FWL)
8020.97	7780.00	TD

CONFIDENTIAL



State of Utah
School & Institutional
Trust Lands Administration

Jon M. Huntsman, Jr.
Governor

Kevin S. Carter
Director

675 East 500 South, Suite 500
Salt Lake City, UT 84102-2818
801-538-5100
801-355-0922 (Fax)
www.trustlands.com

July 10, 2008

Enduring Resources, LLC
c/o Mr. Al Arlian
475-17th Street, Suite 1500
Denver, Colorado 80202

RE: Special Use Lease Application No. 1590
T10S, R23E SLB&M
Section 32: NE1/4NW1/4 (within)
Uintah County

Dear Mr. Arlian:

Duplicate originals of the above-referenced special use lease are enclosed for signature. Please obtain the proper signature(s), have the signature(s) **notarized** on both documents, then return them to this office. By rule, the executed documents need to be returned within 60 days of their receipt. Failure to return them in the time frame allowed may result in cancellation of the lease and forfeiture of all monies tendered.

Upon receipt of the properly signed and notarized documents, the Director will execute the lease. One original will be returned for your records at that time.

Please call me at the above telephone number if you have any questions or need additional time within which to execute the agreement.

Sincerely,

Kurt M. Higgins
Trust Lands Resource Specialist

SPECIAL USE LEASE AGREEMENT NO. 1590

Fund: School

The STATE OF UTAH, acting by and through the SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION ("Lessor"), 675 East 500 South, Suite 500, Salt Lake City, Utah 84102, hereby leases to Enduring Resources LLC, ("Lessee"), a Delaware corporation licensed to do business in Utah, 475 – 17th Street, Suite 1500, Denver, CO 80202, the following described tract of State trust land (the "Subject Property") in Uintah County, Utah, to-wit:

Township 10 South, Range 23 East, SLB&M

Section 32: NE $\frac{1}{4}$ NW $\frac{1}{4}$ (within)

Beginning at a point in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 32, T10S, R23E, SLB&M, which bears S 70°48'41" W 592.71' from the North Quarter Corner of said Section 32, thence S 21°47'56" E 34.85'; thence S 08°33'08" W 34.50'; thence S 60°23'38" E 6.34'; thence S 36°20'39" E 36.94'; thence S 59°13'54" E 16.51'; thence N 85°18'18" E 19.85'; thence S 57°26'23" E 117.09'; thence S 46°32'24" E 34.63'; thence S 25°32'01" E 41.62'; thence S 43°04'22" E 40.85'; thence S 64°50'23" E 41.40'; thence S 36°42'49" E 53.41'; thence S 12°10'44" W 65.75'; thence S 39°45'50" W 39.59'; thence S 17°54'54" E 25.51'; thence S 53°55'10" W 17.27'; thence S 12°56'55" W 28.28'; thence S 14°39'23" E 51.81'; thence S 00°37'48" E 23.71'; thence S 27°30'43" W 45.90'; thence S 38°34'19" W 25.61'; thence S 55°18'17" W 7.58'; thence S 59°20'11" W 29.62'; thence N 22°10'17" W 59.54'; thence N 48°52'25" W 36.88'; thence N 42°41'13" W 44.68'; thence S 53°58'02" W 66.21'; thence N 41°46'19" W 67.77'; thence N 37°56'54" W 121.15'; thence N 34°43'46" W 41.39'; thence N 02°43'16" W 64.78'; thence N 29°29'58" W 45.74'; thence N 26°38'49" W 47.71'; thence N 35°53'12" E 51.78'; thence N 03°17'41" W 11.05'; thence N 44°31'49" W 34.49'; thence N 14°57'13" W 34.13'; thence N 36°22'46" E 10.23'; thence N 53°33'12" E 21.13'; thence N 10°05'02" W 68.56'; thence N 13°57'01" E 38.35'; thence N 71°35'40" E 37.42'; thence S 76°33'20" E 72.68' to the point of beginning. Basis of bearings is the North line of the NWQuarter of said Section 32 which is taken from global position satellite observations to bear S 89°45'59" W a measured distance of 2663.63'.

Containing 3.55 acres, more or less.

Lessee's use of the Subject Property shall be for a term of 20 years, commencing July 1, 2008, and expiring June 30, 2028 (the "Lease Term"), subject to any and all existing valid rights in said land and subject also to the following terms and conditions. Lessor and Lessee enter into this Special Use Lease Agreement (the "Lease") for the purpose that Lessee develop and use the land in the manner hereinafter described and consistent with the principles and objectives of land development expressed and implicit in the Enabling Act of Utah (Act of July 16, 1894, Ch. 138, 28 Stat. 107) and Article X of the Constitution of the State of Utah. The Lessee takes this Lease subject to the continued regulation of Lessor pursuant to the rules of the School and Institutional Trust Lands Administration now in effect or as they may be adopted hereafter.

Special Use Lease Agreement No. 1590

Enduring Resources LLC

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1. Purpose of Lease. The Subject Property shall be used by Lessee for the purpose of operating and maintaining an existing well pad site, Rock House 3-32-10-23 located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 32, Township 10 South, Range 23 East, SLB&M. Two wells ("Well #1 Rock House 10-23-24-29" and "Well #2 Rock House 10-23-34-29"; depicted on Exhibit A attached hereto and incorporated by reference) will be directionally drilled into the adjacent Federal land (Bureau of Land Management) located in Section 29, Township 10 South, Range 23 East, SLB&M. The pipe will not be perforated, and no oil, gas or hydrocarbons will be removed while the pipe passes thru the subsurface of the Subject Property. All improvements constructed on the Subject Property shall comply with the applicable provisions of the Uniform Building Code, current edition, and the International Conference of Building Officials.

2. Due Diligence. Lessee shall be in default under the terms of this Lease and Lessor shall have the right to terminate this Lease if Lessee has not substantially completed the improvements or used the Subject Property in the manner specified in Paragraph 1 above at the end of the three-year period from the date this Lease commences, and upon expiration of a written notice from Lessor to Lessee requiring performance within thirty (30) days of said written notice. Lessor shall have the right, in lieu of such termination, to grant one or more extensions in writing to such due diligence requirement, as Lessor deems advisable in its sole discretion. Such an extension by Lessor shall not be construed as a waiver of any preceding or succeeding breach of any of the provisions of this Lease.

3. Base Rental. Lessee shall pay annually in advance to Lessor, as rental for the Subject Property, the sum of \$7,500.00 (the "Base Rent") per well directionally drilled from the Subject Property on or before July 1 of each year during the Lease Term. This amount shall apply for the first five (5) year period of the Lease. Thereafter the Base Rent may be adjusted pursuant to Paragraph 4 below. Lessor acknowledges the receipt of \$15,950.00, which is payment of the Base Rent for the first year of the Lease for Well #1 and Well #2, and which includes a \$250.00 application fee, and a \$700.00 Lease processing charge authorized hereunder. Failure to pay the Base Rent for a period of one month from the date such rent is due, and upon expiration of a written notice from Lessor to Lessee requiring performance within thirty (30) days of the written notice, shall constitute a default and entitle the Lessor to terminate the Lessee's interest in the Lease and all improvements or to take other legal remedies available at law.

In addition to the above described provision for annual Base Rent, Lessor shall have the right to charge additional Base Rent for each directionally drilled well in addition to Wells #1 and #2 that may be drilled from the Subject Property. Lessee shall not drill any additional wells from the Subject Property without obtaining the prior written consent of Lessor, which consent shall not be unreasonably withheld.

4. Rental Fee Adjustments. Lessee agrees that Lessor shall have the right to adjust the Base Rent for each well authorized under this agreement at the end of the first five (5)-year period of the Lease Term, and then every five (5) years thereafter. Said adjustment shall be calculated as provided in Utah Administrative Code R850-30-400, or any replacing or amending

Special Use Lease Agreement No. 1590

Enduring Resources LLC

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legislation or rule, by methods in said rule as Lessor determines, in its sole discretion, is in the best interest of its beneficiaries.

5. Access.

a. Lessor Access. Lessee agrees to permit Lessor free and unrestricted access to and upon the Subject Property at all reasonable times for all lawful and proper purposes not inconsistent with the intent of this Lease or with the reasonable exercise and enjoyment by the Lessee of the rights and privileges granted herein.

b. Lessor's Right to Grant Additional Access. Lessee agrees that Lessor shall, in addition to Lessor's other rights, have the right to grant easements or rights-of-way over the Subject Property to third parties during the Lease Term, the duration and location of which shall be determined by Lessor, provided that such easements or rights-of-way shall not unreasonably interfere with the purposes of this Lease. Lessor shall inform Lessee, in writing, of its intent to issue such grants. If such easements or rights-of-way are granted, all other provisions of this Lease shall remain in full force and effect, and specifically Lessee's rental obligations under this Lease shall remain unchanged.

c. No Guarantee of Access. Lessor does not represent nor warrant that access to the Subject Property across private land, federal land, or other State land, to the extent it is required, is available to Lessee. Lessor does not covenant to obtain such access for Lessee.

6. Assignment.

a. Lessor Consent Required. Lessee shall not have the right to assign all or part of this Lease without Lessor's prior written consent, which consent may be withheld in Lessor's sole discretion. Any attempted assignment without Lessor's consent shall be null and void, shall constitute an immediate default under this Lease, and shall, at Lessor's election, result in the immediate termination of this Lease. In determining whether to grant approval for an assignment, Lessor shall be entitled to consider, among other items, the proposed assignee's financial condition, managerial capability, business reputation, nature of the proposed assignee's business, the current fair market rental value of the Subject Property, and such other factors as may reasonably bear upon the suitability of the proposed assignee as a lessee of the Subject Property. Lessee shall pay any applicable administrative fees required by Lessor in connection with Lessor's review of the proposed assignment.

b. No Waiver of Future Right to Approve. Consent of the Lessor to an assignment or transfer shall not constitute a waiver of the Lessor's right to approve subsequent assignments or transfers. The acceptance by Lessor of payment or performance following an assignment or transfer shall not constitute consent to any assignment or transfer, and Lessor's consent shall be evidenced only in writing.

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Enduring Resources LLC

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c. Continuation of Lease. An assignment does not constitute a new lease but is a continuation of the existing Lease. Assignment of this Lease shall not release Lessee from any of Lessee's obligations described herein as they relate to Lessee's use of the Subject Property.

7. Subleases. Lessee shall not have the right to sublease the Subject Property or any portion thereof. No sublease will be allowed or agreed to under this Lease.

8. Compliance. Lessee, in exercising the privileges granted by this Lease, shall comply with the provisions of all valid Federal, State, County, and Municipal laws, ordinances, and regulations which are applicable to the Subject Property and operations covered by this Lease.

9. Antiquities. It is hereby understood and agreed that all treasure-trove, all articles of antiquity, and critical paleontological resources in or upon the Subject Property are and shall remain the property of Lessor. Lessee agrees that all costs associated with archaeological and paleontological investigations on the Subject Property associated with the use of the Subject Property under this Lease that may be required by Lessor will be borne by Lessee. Lessee further agrees to cease all activity on the Subject Property and immediately notify Lessor if any discovery of human remains or a "site" or "specimen" as defined in Section 9-8-302 or 63-73-1 Utah Code Annotated (1953), as amended, is made on the Subject Property, and continue to cease all construction or maintenance therein until such time as the human remains, "site" or "specimen" in question has been treated to the satisfaction of Lessor.

10. Lessor's Options in Events of Default. In the event of a default or breach of any of the terms of this Lease by Lessee, Lessor may at any time and with or without notice do any one or more of the following:

a. Subject to applicable Utah law, reenter the Subject Property, remove all persons and property, and repossess and enjoy such premises.

b. Terminate this Lease and Lessee's right of possession of the Subject Property in accordance with Utah law. Such termination shall be effective upon Lessor's giving written notice and, upon receipt of such notice, Lessee shall immediately surrender possession of the Subject Property to Lessor. Upon such termination, all improvements on the Subject Property shall, at Lessor's discretion, be forfeited and become the property of Lessor subject only to any previously approved waiver of interest or security interest.

c. Maintain this Lease in full force and effect and recover any Base Rent or other consideration, including late fees, as it becomes due without terminating Lessee's right of possession regardless of whether Lessee shall have abandoned the Subject Property.

d. The Lessor may seek damages for any and all violations or defaults with or without canceling this Lease. In the event Lessor deems the breach or default to

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Enduring Resources LLC
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constitute a threat to safety, life, or property, it may elect to intervene immediately, without notice, to remedy the breach or default and Lessee hereby agrees to repay Lessor for all costs in remedying the breach or default upon demand, together with interest thereon from the date of expenditure. Alternatively, Lessor may require Lessee itself to act immediately to remedy the breach or default, should Lessor deem it a threat to safety, life, or property.

e. Exercise any other right or remedy which Lessor may have at law or equity.

Notwithstanding the foregoing, if any of the provisions of this Lease provide that Lessor will provide Lessee with notice of default and a period of time in which to cure the default prior to Lessor taking action on such, Lessor shall be bound to provide such notice and cure period.

11. Development at Lessee's Expense. Lessee shall bear all expenses in connection with the development, improvement, construction, alteration and maintenance of the Subject Property and of all improvements thereon, and shall indemnify, defend and hold Lessor harmless therefrom.

12. Improvements upon Termination or Expiration. All improvements, and all alterations and additions thereto constructed by or on behalf of Lessee on the Subject Property shall be and remain the exclusive property of Lessee during the term of this Lease. Such improvements may be removed at any time during the Lease Term unless: (a) such removal would cause damage to the Subject Property, unless, in such case, Lessee repairs any such damage and restores the Subject Property to substantially the same condition as existed prior to the removal of such property; (b) Lessee is in default of any of the terms of this Lease; or (c) an event shall have occurred which, with the giving of notice or the passage of time, or both, would constitute a default under the terms of this Lease. Upon the expiration or early termination of this Lease, Lessor shall have the option, in its sole discretion, of retaining all such improvements, and all alterations and additions thereto, and Lessee or those holding under or through Lessee would have no rights with respect thereto. Notwithstanding the foregoing, Lessor may choose, in its sole discretion, for such improvements to remain the property of Lessee. In the event Lessor chooses not to retain the improvements on the Subject Property upon the termination or early expiration of the Lease, Lessee shall remove said improvements and the Subject Property shall be restored to substantially the same condition as existed prior to the removal of the improvements within sixty (60) days of notice from the Lessor requiring such. Said removal of improvements and restoration of the Subject Property shall be at Lessee's sole cost and expense. This Paragraph 12 is not intended to include Personal Property (as defined in Paragraph 13) which belong to Lessee or to the sublessees of Lessee.

13. Lessee's Personal Property. Upon the expiration or earlier termination of this Lease, and within thirty (30) days of such expiration or early termination, Lessee shall have the right to remove from the Subject Property all trade fixtures, equipment and personal property, including, without limitation, all machinery, furniture and furnishings and inventories now or hereafter maintained or used in or about the Subject Property by Lessee, any of Lessee's

Special Use Lease Agreement No. 1590
Enduring Resources LLC
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sublessees, or any licensee, concessionaire, or invitee (the "Personal Property"). In the event that the removal of any such Personal Property would cause damage to the Subject Property, Lessee shall repair any such damage and restore the damaged improvements to substantially the same condition as existed prior to the removal of such property. Lessee shall remove all Personal Property and restore the Subject Property, at Lessee's sole cost and expense, within sixty (60) days of notice from the Lessor regarding the Lease expiration or Lease termination.

14. Survival. Lessee agrees that all obligations of Lessee to be performed prior to the assignment, expiration or earlier termination shall not cease upon the assignment, termination or expiration of this Lease, and shall continue as obligations until fully performed. All clauses of this Lease which require performance beyond the effective date of assignment, termination or expiration date shall survive the assignment, termination or expiration date of this Lease. However, upon assignment, expiration or earlier termination of this Lease, the rights of Lessee and of all persons, firms, corporations, and entities claiming under Lessee in and to the Subject Property and all improvements thereon, unless specified otherwise in this Lease, shall cease.

15. Mechanics' Liens.

a. Lessee is Not Lessor's Agent. The parties agree, and notice is hereby given, that Lessee is not the agent of Lessor for the construction, alteration or repair of any improvements on the Subject Property, the same being done at the sole direction and expense of Lessee. All contractors, material men, mechanics, and laborers are hereby charged with notice that they must look only to Lessee for the payment of any charge for work done or material furnished on the Subject Property during the Lease Term. Lessee shall have no right, authority or power to bind Lessor or any interest of Lessor for the payment of any claim for labor or material, or for any charge or expense, incurred by Lessee as to improvements, alterations or repairs on or to the Subject Property, and Lessee shall post notices on the Subject Property during all construction work of any nature whatsoever that Lessor is not responsible for any material and labor used on the Subject Property.

b. Covenant Against Mechanic's Liens. Lessee shall not suffer or permit to be enforced against the Subject Property, or any part thereof, and shall indemnify and hold Lessor and the Subject Property harmless for, from, and against (i) any mechanic's, material men's, contractor's or subcontractor's liens arising from, and (ii) any claim for damage growing out of the work of, any construction, repair, restoration, replacement, or improvement done by or on behalf of Lessee. Lessee shall pay or cause to be paid all of such liens, claims, or demands before any action is brought to enforce the same against the Subject Property. If a prohibited lien is filed against the Subject Property, then Lessee shall, at its expense, defend itself and Lessor against the same and shall pay and satisfy any adverse judgment that may be rendered thereon prior to execution thereof and in the event of any such contest Lessee shall at the request of Lessor provide such security and take such steps as may be required by law to release the Subject Property from the effect of such lien.

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Enduring Resources LLC
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c. Protection of Lessor. NOTICE IS HEREBY GIVEN THAT LESSOR SHALL NOT BE LIABLE FOR ANY LABOR OR MATERIALS FURNISHED OR TO BE FURNISHED TO LESSEE UPON CREDIT, AND THAT NO MECHANIC'S OR OTHER LIEN FOR ANY SUCH LABOR OR MATERIALS SHALL ATTACH TO OR AFFECT THE SUBJECT PROPERTY. NOTHING IN THIS LEASE SHALL BE DEEMED OR CONSTRUED IN ANY WAY TO CONSTITUTE LESSOR'S CONSENT OR REQUEST, EXPRESS OR IMPLIED, BY INFERENCE OR OTHERWISE, TO ANY CONTRACTOR, SUBCONTRACTOR, LABORER, EQUIPMENT OR MATERIAL SUPPLIER FOR THE PERFORMANCE OF ANY LABOR OR THE FURNISHING OF ANY MATERIALS OR EQUIPMENT FOR ANY CONSTRUCTION, NOR AS GIVING LESSEE ANY RIGHT, POWER OR AUTHORITY TO CONTRACT FOR, OR PERMIT THE RENDERING OF, ANY SERVICES, OR THE FURNISHING OF ANY MATERIALS THAT WOULD GIVE RISE TO THE FILING OF ANY LIENS AGAINST THE FEE ESTATE. LESSEE SHALL INDEMNIFY LESSOR AGAINST ANY CONSTRUCTION UNDERTAKEN BY LESSEE OR ANYONE CLAIMING THROUGH LESSEE, AND AGAINST ALL PROHIBITED LIENS.

16. Payment of Taxes and Assessments. Lessee shall pay, prior to delinquency: (a) all taxes, assessments, levies, fees, fines, penalties and all other governmental charges, general and special, ordinary and extraordinary, foreseen and unforeseen, which, during the Lease term, are imposed or levied upon or assessed against (i) the Subject Property, (ii) any Base Rent or any other sum payable by Lessee hereunder or (iii) this Lease, the leasehold estate hereby created or which arises in respect of the operation, possession or use of the Subject Property; and (b) all sales, transaction privilege or similar taxes imposed or levied upon, assessed against or measured by any Base Rent or other amounts payable to Lessor hereunder, but not income taxes. If Lessee fails to pay any of the foregoing before they become delinquent, Lessor, after notice to Lessee, may but has no obligation to pay such delinquent taxes, assessments, levies, fees, fines, penalties and governmental charges, and all expenditures and costs incurred thereby shall be payable hereunder within twenty (20) days after such notice to Lessee. Lessee will furnish to Lessor, promptly after demand therefore, proof of payment of all items referred to above which are payable by Lessee. If any such assessment may be legally paid in installments, Lessee may pay such assessment in installments.

17. Indemnity. In addition to Lessee's indemnification obligations under Paragraph 30 of this Lease relating to environmental matters, Lessee agrees to protect, indemnify, defend and save harmless Lessor, its agents, contractors and employees, from, for and against all claims, demands, damages, costs, fees, (including without limitation attorney's fees and expert witness fees), losses, expenses and causes of action of every kind or character whatsoever ("Losses") arising because of, for, out of, or in any way connected with the use of the Subject Property by, or the operations and activities of, Lessee, its agents, contractors, employees, successors and assigns, including, but not limited to such Losses on account of bodily injuries, death or damage to property, except to the extent such Losses result from the intentional acts of the Lessor. Lessee shall defend all suits brought upon such claims and pay all attorney's fees, costs and expenses related or incidental to such defense, but Lessor shall have the right, at its option, to

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retain counsel and participate in the defense of any such suit without relieving Lessee of any obligation hereunder. The indemnity obligations of Lessee pursuant to this Paragraph 18 shall continue in full force and effect following the assignment, expiration or termination of the Lease.

18. Insurance. The following insurance requirements are minimum requirements for this Lease and in no way limit Lessee's indemnity or other obligations under this Lease.

a. Casualty Insurance. Lessee will, at all times during the Lease Term and at the sole cost and expenses of Lessee, keep all improvements, equipment, and fixtures on the Subject Property insured for the benefit of Lessor and Lessee, as co-insureds, to the extent of one hundred percent (100%) of the full replacement cost thereof against loss or damage from fire and other risks normally insured against in special perils insurance coverage. Notwithstanding the foregoing, Lessee shall not be required to insure the Subject Property or improvements thereon against earthquake or terrorist attack. If proceeds from any such casualty insurance are disbursed to Lessee due to damage on the Subject Property, Lessee shall use the disbursement to restore the Subject Property to its condition prior to the event causing such damage.

b. Liability Insurance. Lessee will, at all times during the Lease Term and at the sole cost and expense of Lessee, maintain commercial general liability bodily injury and property damage liability insurance against claims for bodily injury, death, or property damage, occurring in, on, or about the Subject Property (including any injury, death, or property damage arising from a hazardous activity permitted under the Lease), such insurance to afford minimum protection during the entire term of not less than Two Million Dollars (\$2,000,000.00) in respect of bodily injury or death to any one person or in respect of any one accident, or property damage, or Four Million Dollars (\$4,000,000.00) in the aggregate, the foregoing dollar amounts being subject to increase by the percentage increase in the CPI not more frequently than every five (5) Lease years, provided that Lessee shall not carry less than the amount or scope of coverage customary in the industry from time to time. The policy shall fully insure against any and all loss, damage, liability, and injury incurred by any person, firm, corporation, or government entity arising out of the performance of this Lease, regardless of the fault of Lessee, its agents and employees, regardless of the fault of Lessor, its agents and employees, and regardless of the fault of third persons not parties to this Lease.

c. Workers Compensation. Lessee, at the sole cost and expense of Lessee, shall also maintain and keep in force workers compensation insurance covering all persons employed in connection with any activities on the Subject Property and with respect to whom death or bodily injury claims could be asserted against Lessor, Lessee, or the Subject Property.

d. Environmental Insurance. Lessee agrees to maintain, at the sole cost and expense of Lessee, a policy of environmental pollution liability insurance or similar environmental insurance covering environmental liabilities associated with Lessee's

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operation under or related to this Lease, in the amount of at least Two Million Dollars (\$2,000,000.00).

e. Builder's Risk Insurance. If applicable, during any period of building construction, including the construction of the initial improvements and all alterations and restorations, Lessee, at the sole cost and expense of Lessee, shall provide and maintain Builder's Risk Insurance.

f. Other Insurance. Lessee, at the sole cost and expense of Lessee, shall at all times during the Lease Term, maintain in force such other and additional insurance policies as a prudent ground Lessee in the position of Lessee would maintain or as Lessor may require from time to time. Lessor shall be an additional insured on all such policies.

g. Policy Requirements. All insurance policies required or otherwise provided and maintained under this Paragraph 19 shall:

- i. Be approved by Lessor;
- ii. Name Lessor as loss payee or additional insured as its interest may appear, except for workers compensation coverage;
- iii. Be issued by a company or companies rated "A-12" or better by the then most current edition of Best's Insurance Guide (or if such guide is no longer published, then having a comparable rating as specified by Lessor from time to time);
- iv. Provide that the insurance shall not be canceled or modified without thirty (30) day's prior written notice to Lessor and that no modification shall be effective unless approved in writing by Lessor;
- v. To the extent reasonably obtainable, expressly waive any right of subrogation against Lessor;
- vi. Provide that the insurance coverage for the State or Lessor is primary and not contributing; that other insurance of the State or Lessor is excess over the insurance required by this Lease; and, the amount of the insurance company's liability or coverage limits required by this Lease shall not be reduced by the existence of other State or Lessor insurance.

h. Proof of Insurance. Upon the commencement date of this Lease, and thereafter not less than thirty (30) days prior to the expiration dates of the policies furnished pursuant to this Paragraph 19, Lessee shall deliver to Lessor policy copies or certificates thereof, bearing notations evidencing the payment of premiums or accompanied by other evidence of such payment.

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i. Adjustments. Lessor shall have the right to participate in the adjustment of any insurance claim filed by Lessee relating to any insurance required by this Paragraph to the extent necessary to protect their respective interests in the Subject Property and the improvements.

19. Remedies Cumulative. The specified remedies to which Lessor may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which Lessor may lawfully be entitled in case of any breach or threatened breach by Lessee of any provision of this Lease.

20. Force Majeure. If either Party, without fault or negligence by such Party, is rendered unable by Force Majeure, as defined hereinbelow, to perform any obligation of this Lease, other than Lessee's obligation to pay Lessor Base Rent, Royalties or other consideration, including late fees, then upon such Party promptly giving written notice to the other Party, the performance of such obligation shall be suspended during the period of time the inability to perform continues as a result of an event of Force Majeure, and such Party shall be relieved of liability for its failure to perform during such period of time; provided that the Party asserting an inability to perform shall use its best efforts to correct such inability and to resume promptly its performance as required under the Lease. The term Force Majeure shall mean causes or events such as an act of God, act of civil or military authority, fire, epidemic, flood, earthquake, riot, war, sabotage, or other similar cause or event not within such Party's reasonable control. The written notice provided under this Paragraph shall set forth the particular nature and circumstances of the Force Majeure, the expected effect of the Force Majeure on the Party's performance under the Lease, and the expected date the Party will resume performance.

21. Bonds. Lessee, at the sole cost and expense of Lessee, shall furnish to Lessor and maintain during the Lease Term a performance and reclamation bond in a form acceptable to Lessor in the initial amount of \$5,000.00. It is expressly agreed that Lessor may at any time, upon thirty (30) days notice by certified mail, require Lessee to furnish Lessor such additional performance and reclamation bond as Lessor may deem to be in the best interest of the State of Utah. At the end of each five (5) year period during the term of the Lease, and at such time as Lessor shall adjust Base Rent, as described in Paragraph 4(a) hereof, Lessor shall review the sufficiency of the performance bond and may adjust the amount and requirements set forth herein.

22. Obligations on Lease Termination. Upon the termination of this Lease for any cause whatsoever, Lessee shall immediately surrender peaceable possession of the Subject Property, including all buildings, structures, fixtures and other improvements then located thereon in a good, clean and tenantable condition (ordinary depreciation, reasonable wear and tear, casualty loss, and condemnation loss excepted), subject, however, to the right of Lessee to remove Personal Property as provided in Paragraph 13 of this Lease.

23. Mineral Exploration. Lessor expressly reserves the right to lease the Subject Property to third parties for mineral exploration and/or development purposes and reserves the

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right to grant as much access across the surface as reasonably necessary to develop the mineral estate, including ingress and egress.

24. Title. Lessor claims to hold title to the Subject Property in fee simple, but makes no warranty of any kind whatsoever to Lessee of the validity of Lessor's title to the Subject Property. Lessee shall have no claim for damages or refund against the Lessor for any claimed failure or deficiency of Lessor's title to said lands or for interference by any third party. Lessee takes possession subject to all existing encumbrances, rights-of-way, or encroachments as may exist or be of record. Possession is subject to a reservation by Lessor of rights-of-way as may be necessary to access other state land.

25. Water Rights. Any water rights needed or used to fulfill the purposes of this lease on the subject property shall be subject to the following:

a. If Lessee needs to establish a new water right by appropriation on the Subject Property, any application to appropriate shall be filed by Lessor in Lessor's name and shall become appurtenant to the subject property upon approval by the Utah State Engineer. The Lessee shall pay all fees and costs associated with the application, and shall have the right to use the water during the life of this Lease.

b. In the event the water needs of the Lessee can be met by transferring onto the Subject Property water rights owned by Lessee, any change application to do so shall be filed jointly in the name of Lessee and Lessor at no cost to Lessor. Upon termination of this Lease 50% of the water rights (based on depletion) shall be conveyed by Lessee to Lessor.

26. Fire. Lessee shall at all times observe reasonable precautions to prevent fire on the Subject Property and shall comply with all applicable laws and regulations of any governmental agency having jurisdiction. In the event of a fire on the Subject Property proximately caused by Lessee, its servants, employees, agents, sublessees, assignees or licensees which necessitates suppression action by Lessor, Lessee agrees to reimburse Lessor for the cost of such fire suppression action.

27. Fencing. Lessee may fence the Subject Property at its own expense. If there is no fence erected, Lessee shall have no right of action against any State grazing permittee by reason of a trespass upon the Subject Property. The right of Lessee to fence the Subject Property shall be subject to the Lessor's rights of access across State lands to other State lands. In addition, in the event Lessee erects any fencing, Lessee agrees to provide access to, through, and across the Subject Property to Lessor and to any lessees or permittees granted rights or access to or across the Subject Property, or any part thereof, by Lessor.

28. Waste. Lessee shall neither commit nor permit any waste on the Subject Property. Lessee shall maintain the Subject Property in good condition and at its own expense, free from any nuisance. Surface and subsurface areas will be cleaned of all trash, debris, and waste of any kind to the satisfaction of Lessor. Lessee shall maintain the Subject Property to

standards of repair, orderliness, neatness, sanitation, and safety as required by applicable law and regulations.

29. Non-Approved Materials. Lessee shall not make, or suffer to be made, any filling in of the Subject Property or any deposit of rock, earth, ballast, refuse, garbage, waste matter, chemical, biological or other wastes, hydrocarbons, any other pollutants, or other matter within or upon the Subject Property, except as approved in writing by the Lessor. If the Lessee fails to remove all non-approved fill material, refuse, garbage, wastes or any other of the above materials from the Subject Property, the Lessee agrees that the Lessor may, but is not obligated to, remove such materials and charge the Lessee for the cost of removal and disposal.

30. Environmental.

a. Definitions. As used in this Lease, the following terms shall mean the following:

i. "De Minimis Amounts" means any Hazardous Substance either (a) being transported on or from the Subject Property or being stored for use by Lessee on the Subject Property or (b) being currently used by Lessee on the Subject Property, in either case in such quantities and in a manner that both (i) does not constitute a violation or threatened violation of any Environmental Law or require any reporting or disclosure under any Environmental Law and (ii) is consistent with customary business practice for such operations in the State of Utah.

ii. "Environmental Claim" means any and all actual or threatened liabilities, claims, actions, causes of action, judgments, orders, inquiries, investigations, studies or notices relating to any Hazardous Substance or any Environmental Law including without limitation those arising as a result of strict liability, whether under Environmental Law or otherwise, and those arising out of the negligence of any Indemnified Party.

iii. "Environmental Costs" means damages (including foreseeable and unforeseeable consequential damages), damages to natural resources, losses, fines, penalties, judgments, awards, settlements, and costs and expenses (including, without limitation, reasonable attorneys' fees, experts', engineers' and consultants' fees, and costs and expenses of investigation, testing, remediation and dispute resolution).

iv. "Environmental Law" means any federal, state or local law, whether common law, statute, ordinance, rule regulation, or judicial or administrative decision or policy or guideline pertaining to regulation or protection of the environment, prevention of pollution, protection of human health, industrial hygiene, environmental conditions, Hazardous Substance, solid and hazardous waste disposal, storage tanks and including, and all amendments thereto as of this date and to be added in the future and any successor statute or rule or regulation promulgated thereto.

v. "Hazardous Substance" shall mean: (a) any substance, material, or waste that is included within the definitions of "hazardous substances," "hazardous materials," "hazardous waste," "toxic substances," "toxic materials," "toxic waste," or words of similar import in any Environmental Law; (b) those substances listed as hazardous substances by the United States Department of Transportation (or any successor agency) (49 C.F.R. 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) (40 C.F.R. Part 302 and amendments thereto); and (c) any substance, material, or waste that contains petroleum or is petroleum, petroleum-related, or a petroleum by-product, asbestos or asbestos-containing material, polychlorinated biphenyls, flammable, explosive, radioactive, freon gas, radon, or a pesticide, herbicide, or any other agricultural chemical, except as such is expressly permitted in this Lease.

vi. "Indemnified Party" and "Indemnified Parties" mean and include Lessor and the State of Utah and their respective officers, directors, employees, agents, elected and appointed officials, successors and assigns.

vii. "Release" means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, migrating, disposing, or dumping of any substance into the environment.

b. Covenants of Lessee.

i. Lessee shall at all times comply with Environmental Law.

ii. Lessee shall neither use nor permit any third party to use, generate, manufacture, produce, store, or Release, in, on, under or about the Subject Property, or transfer to or from the Subject Property, any Hazardous Substance except De Minimis Amounts in compliance with all applicable Environmental Law, provided that if any third party, by act or omission or by intent or accident, allows any foregoing action to occur, Lessee shall promptly remedy such condition, at its sole expense and responsibility. Furthermore, Lessee shall not permit any liens under any Environmental Law to be placed on any portion of the Subject Property.

iii. Lessee shall promptly notify Lessor in writing if Lessee has any actual knowledge or notice of the following: (a) any lien, action or notice affecting the Subject Property or Lessee applicable to the Subject Property; or (b) the institution of any investigation, inquiry or proceeding concerning Lessee or the Subject Property pursuant to any Environmental Law or otherwise relating to Hazardous Substances.

iv. The obligations of Lessee under this Lease shall not be diminished or affected in any respect as a result of any notice, disclosure or knowledge, if any, to or by an Indemnified Party of the Release, presence, existence or threatened Release

of Hazardous Substances in, on, around, or potentially affecting the Subject Property or the soil, groundwater or soil vapor on or under the Subject Property, or of any matter covered by the obligations of Lessee hereunder. An Indemnified Party shall not be deemed to have permitted, caused, contributed to or acquiesced in any such Release, presence, existence or threatened Release of Hazardous Substances or any other matter covered by the obligations of Lessee hereunder, solely because the Indemnified Party had notice, disclosure or knowledge thereof, whether at the time this Lease is delivered or at any other time.

v. Lessee shall conduct and complete, to the satisfaction of Lessor and all applicable governmental authorities, all remedial, removal, and other actions necessary to clean up and remove Hazardous Substances (other than De Minimis Amounts) in, on, or materially affecting the Subject Property: (a) in accordance with all applicable Environmental Laws; and (ii) in accordance with all applicable orders and directives of all governmental authorities. Lessee shall provide to Lessor copies of all results and reports relating to such remedial, removal, and other actions.

c. Rights of Lessor.

i. Lessor shall have the right, but not the obligation, without in any way limiting the other rights and remedies of Lessor under this Lease, to enter onto the Subject Property, take and remove soil or groundwater samples, conduct tests and/or site assessments on any part of the Subject Property or to take such other actions as it deems necessary or advisable to clean up, remove, resolve, or minimize the impact of, or otherwise deal with, any Hazardous Substances on or affecting the Subject Property following receipt of any notice from any person or entity asserting the existence or possible existence of any Hazardous Substances pertaining to the Subject Property or any part thereof that, if true, could result in an Environmental Claim, order, notice, suit, imposition of a lien on the Subject Property. All reasonable costs and expenses paid or incurred by Lessor in the exercise of any such rights shall be payable by Lessee upon demand.

ii. Lessor shall have the right at any time to appear in and to participate in, as a party if it elects, and be represented by counsel of its own choice in, any action or proceeding in connection with any Environmental Law that affects the Subject Property. Upon demand by any Indemnified Party, Lessee shall defend any investigation, action or proceeding involving any matter covered by the obligations of Lessee hereunder which is brought or commenced against any Indemnified Party, whether alone or together with Lessee or any other person, all at the cost of Lessee and by counsel to be approved by the Indemnified Party in the exercise of its reasonable judgment. In the alternative, any Indemnified Party may elect to conduct its own defense at the expense of Lessee. Lessee shall not, without the prior written consent of Lessor: (a) settle or compromise any action, suit, proceeding or claim or consent to the entry of any judgment that does not include as an unconditional term thereof the delivery by the claimant or plaintiff to Lessor of a

full and complete written release of the Indemnified Parties (in form, scope and substance satisfactory to Lessor in its sole discretion) from all liability in respect of such action, suit, proceeding or claim; or (b) settle or compromise any action, suit, proceeding or claim in any manner that may adversely affect the Indemnified Parties or obligate the Indemnified Parties to pay any sum or perform any obligation as determined by in its sole discretion.

31. Environmental Indemnity.

a. Lessee's Indemnity. In addition to those indemnification obligations in Paragraph 17, Lessee shall indemnify, defend, and hold the Indemnified Party harmless from, for and against any and all Environmental Claims and any and all Environmental Costs that directly or indirectly arise out of or relate in any way to:

i. Any investigation, cleanup, remediation, removal, or restoration work of site conditions of the Subject Property relating to Hazardous Substances (whether on the Subject Property or any other property);

ii. Any resulting damages, harm, or injuries to the person or property of any third parties or to any natural resources involving Hazardous Substances relating to the Subject Property;

iii. Any actual or alleged past or present disposal, generation, manufacture, presence, processing, production, Release, storage, transportation, treatment, or use of any Hazardous Substance on, under, or about the Subject Property;

iv. Any actual or alleged presence of any Hazardous Substance on the Subject Property;

v. Any actual or alleged past or present violation of any Environmental Law relating to the Subject Property;

vi. Any actual or alleged past or present migration of any Hazardous Substance from the Subject Property to any other property, whether adjoining, in the vicinity, or otherwise, or migration of any Hazardous Substance onto the Subject Property from any other property, whether adjoining, in the vicinity, or otherwise;

vii. Any lien on any part of the Subject Property under any Environmental Law;

viii. Any Environmental Claim by any federal, state, or local governmental agency and any claim that any Indemnified Party is liable for any such asserted Environmental Claim allegedly because it is an "owner" or "operator" of the Subject Property under any Environmental Law;

- ix. Any Environmental Claim asserted against any Indemnified Party by any person other than a governmental agency, including any person who may purchase or lease all or any portion of the Subject Property from Lessee, from any Indemnified Party, or from any other purchaser or Lessee; any person who may at any time have any interest in all or any portion of the Subject Property; any person who may at any time be responsible for any cleanup costs or other Environmental Claims relating to the Subject Property; and any person claiming to have been injured in any way as a result of exposure to any Hazardous Substance relating to the Subject Property;
- x. Any Environmental Claim which any Indemnified Party reasonably believes at any time may be incurred to comply with any law, judgment, order, regulation, or regulatory directive relating to Hazardous Substances and the Subject Property, or which any Indemnified Party reasonably believes at any time may be incurred to protect the public health or safety;
- xi. Any Environmental Claim resulting from currently existing conditions in, on, around, or materially affecting the Subject Property, whether known or unknown by Lessee or the Indemnified Parties at the time this Lease is executed, and any such Environmental Claim resulting from the activities of Lessee, or any other person, in, on, around, or materially affecting the Subject Property; or
- xii. Breach of any covenant of Lessee under this Lease.
- b. Defense. Lessee shall defend all suits brought upon such claims and pay all fees, costs, and expenses incidental thereto, but Lessor shall have the right, at its option, to participate in the defense of any such suit without relieving Lessee of any obligation hereunder.
- c. Continuing Obligation. The indemnity obligations of Lessee pursuant to this Paragraph 31 shall continue in full force and effect following the assignment, expiration or termination of the Lease.
- d. Scope of Indemnity. Lessee shall be obligated to indemnify Indemnified Parties pursuant to this Paragraph 31 only for those Environmental Claims and Environmental Costs that arise from or relate to use of the Subject Property by, or the operation and activities of, Lessee, its agents, contractors, employees, successors and assigns. The foregoing indemnity is expressly intended to include, and does include, any Environmental Claims or Environmental Costs arising as a result of any strict liability imposed or threatened to be imposed on an Indemnified Party in connection with any of the indemnified matters described in this Paragraph 31 or arising as a result of the negligence of an Indemnified Party in connection with such matters; provided, however, that notwithstanding anything contained herein to the contrary, the foregoing indemnity shall not apply to (i) matters resulting solely from the gross

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negligence or willful misconduct of any Indemnified Party, or (ii) matters resulting solely from the actions of Indemnified Parties taken after such parties have taken title to, or exclusive possession of the Subject Property, provided that, in both cases, such matters shall not arise from or be accumulated with any condition of the Subject Property, which condition was not caused by an Indemnified Party.

32. No Partnership. Lessor is not a partner nor a joint venturer with Lessee in connection with the activities conducted and business carried on under this Lease and Lessor shall have no obligation with respect to Lessee's debts or other liabilities.

33. Time of Essence. Time is expressly declared to be of the essence in this Lease and each and every covenant of Lessee hereunder.

34. Amendments. Any amendments, revisions, supplements, or additions to this Lease or the attached exhibits, if applicable, shall be made in writing executed by the parties hereto, and neither Lessor nor Lessee shall be bound by verbal or implied agreements.

35. Invalidity. If any term or provision of this Lease or the application thereof to any person or circumstance shall to any extent prove to be invalid, unenforceable, void, or illegal, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall be not affected thereby, and each term and provision of this Lease shall be valid and be enforced as written to the fullest extent permitted by law.

36. Lease Subject to Law. This Lease is issued pursuant to and subject to the terms and provisions of Title 53C, Utah Code Annotated, the School and Institutional Trust Lands Management Act of 1994, as amended. This Lease is subject to the rules of the School and Institutional Trust Lands Administration now or hereafter in force.

37. Governing Law; Venue. The terms, conditions, covenants, and agreements herein contained shall be governed, construed, and controlled according to the laws of the state of Utah. Any action brought in connection with this Lease shall be brought in the Third District Court for Salt Lake County, Utah, subject, however, to any legal requirement for prior exhaustion of administrative remedies.

38. Survey Monuments. Lessee shall take reasonable precautions to protect, in place, all public land survey monuments and private property corners.

39. No Waiver of Conditions. Waiver by Lessor of any default of Lessee or failure of Lessor to timely enforce any provisions of this Lease shall not constitute a waiver of or constitute a bar to subsequent enforcement of the same or other provisions of this Lease. No provision in this Lease shall be construed to prevent Lessor from exercising any legal or equitable remedy it may otherwise have.

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40. Attorney's Fees. If any action is brought because of a default under or to enforce or interpret this Lease, each party shall pay their own attorneys' fees.

41. Lessor's Lien. Lessor shall have at all times a valid lien for all rent and other sums of money becoming due hereunder from Lessee, upon all goods, wares, equipment, fixtures, furniture and other personal property of Lessee situated on the Subject Property, and such property shall not be removed therefrom without the consent of Lessor until all arrearages in Base Rent as well as any and all other sums of money then due to Lessor hereunder shall first have been paid and discharged. Upon the occurrence of any event of default by Lessee, Lessor may, in addition to any other remedies provided herein or by law, enter upon the Subject Property and take possession of any and all goods, wares, equipment, fixtures, furniture and other personal property of Lessee situated on the Subject Property without liability for trespass or conversion, and sell the same with or without notice at public or private sale, with or without having such property at the sale, at which Lessor or its assigns may purchase, and apply the proceeds thereof less any and all expenses connected with the taking of possession and sale of the property, as a credit against any sums due by Lessee to Lessor. Any surplus shall be paid to Lessee and Lessee agrees to pay any deficiency forthwith. Alternatively, the lien hereby granted may be foreclosed in the manner and form provided by law for foreclosure of security interest or in any other form provided by law. The statutory lien for rent is not hereby waived, the express contractual lien herein granted being in addition and supplementary thereto. Anything herein to the contrary notwithstanding, purchase money financing of Lessee's removable trade fixtures and equipment shall not be a default. Lessee will execute upon Lessor's request a financing statement and security agreement evidencing Lessor's security interest in Lessee's personal property and warrants to Lessor that there are no prior liens or security interest on said personal properties.

42. Notice. Any notice contemplated herein shall be in writing and shall be deemed sufficient if deposited in the United States mail, postage prepaid and certified or registered, and addressed to Lessor or Lessee at the addresses contained herein.

43. Inspection. The State of Utah and the Lessor, and their authorized representatives shall have the right, at any reasonable times during the Lease Term, to enter upon the Subject Property, or any part thereof, to inspect the same and all buildings and other improvements erected and placed thereon.

44. Tax Immunity. Nothing contained in this Lease shall be deemed to constitute a waiver of applicable laws providing tax immunity to trust property or any interest therein or income therefrom.

45. No Waiver of Sovereign Immunity. By this Lease, Lessor does not waive, limit, or modify any sovereign immunity from suit except as specifically provided herein.

46. Entire Agreement. This Lease sets forth all the promises, inducements, agreements, conditions, and understandings between Lessor and Lessee relative to the Subject Property, and there are no promises, agreements, conditions, or understandings, either oral or

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written, express or implied, between them other than are set forth herein. No subsequent alteration, amendment, change, or addition to this Lease shall be binding upon Lessor or Lessee unless in writing and signed by each of them.

IN WITNESS WHEREOF, the State of Utah, by and through the School and Institutional Trust Lands Administration, has caused these presents to be executed this ____ day of _____, 2008 by the Director.

Lessor:

STATE OF UTAH
SCHOOL AND INSTITUTIONAL
TRUST LANDS ADMINISTRATION
675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818

By: _____
KEVIN S. CARTER, DIRECTOR

Lessee:

Enduring Resources LLC
475 – 17th Street, Suite 1500
Denver, CO 80202

By: _____

Its: _____
~~Alex B. Campbell, Vice President~~

APPROVED AS TO FORM:
MARK L. SHURTLEFF
ATTORNEY GENERAL

BY: _____
Special Assistant Attorney General

Director Review _____

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STATE OF UTAH)
 : §
COUNTY OF SALT LAKE)

On the _____ day of _____, 2008, personally appeared before me Kevin S. Carter, who being by me duly sworn did say that he is the Director of the School and Institutional Trust Lands Administration, and the signer of the above instrument, who duly acknowledged that he executed the same.

Given under my hand and seal this _____ day of _____, 2008.

My commission expires:

Notary Public, residing at: _____

STATE OF COLORADO)
CITY AND : §
COUNTY OF DENVER)

On the 14TH day of JULY, 2008, personally appeared before me ALEX B. CAMPBELL, who being by me duly sworn did say that (s)he is the VICE PRESIDENT of Enduring Resources LLC and the signer of the above instrument, who duly acknowledged that (s)he executed the same.

Given under my hand and seal this 14TH day of JULY, 2008.

My commission expires:

Notary Public, residing at: 6860 SO SALIDA CT,
FOXFIELD, CO 80016

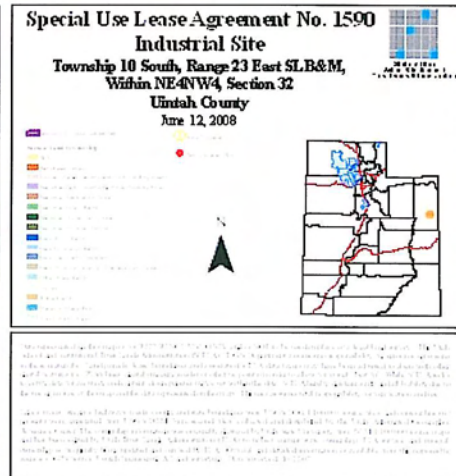
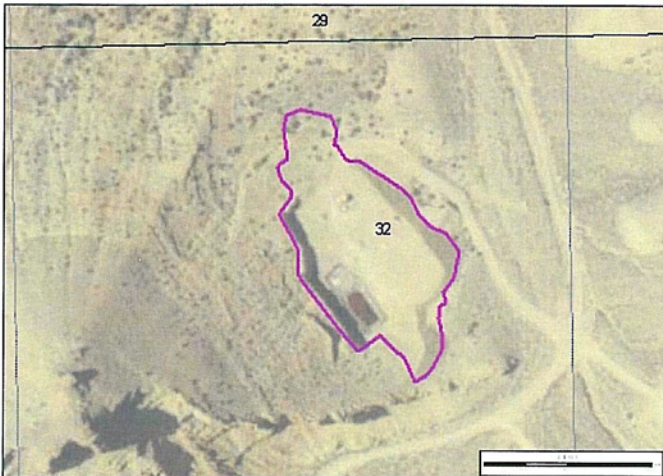
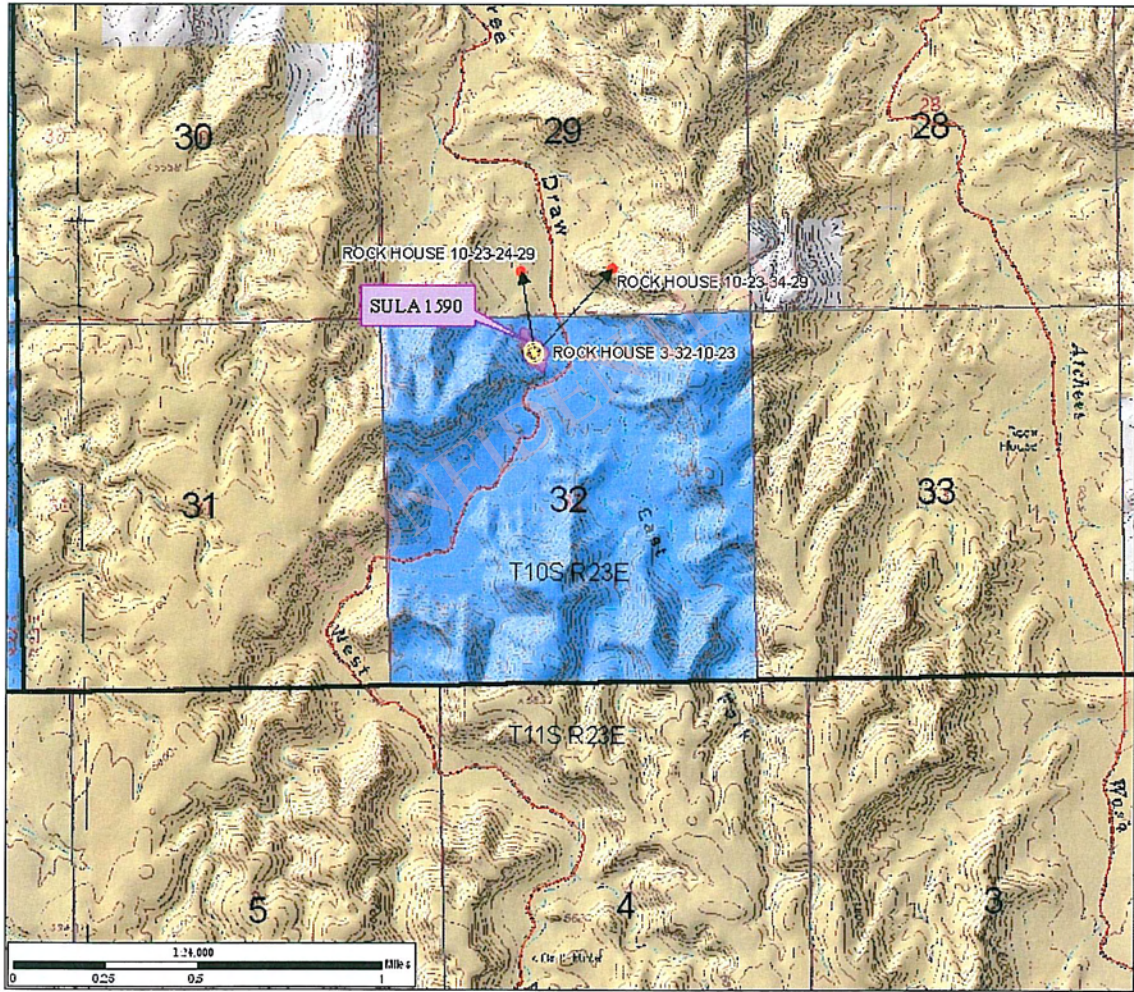


My Commission Expires 09/09/2010

Special Use Lease Agreement No. 1590
Enduring Resources LLC
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Exhibit A
Map

CONFIDENTIAL



SELF-CERTIFICATION STATEMENT

The following self-certification statement is provided per federal requirements dated June 15, 1988.

Please be advised that Enduring Resources, LLC is considered to be the operator of the following well.

Rock House 10-23-24-29

Surface Location: NENW Sec. 32-10S-23E

502' FNL – 2138' FWL

Lease Serial No.: ML-47063

Bottom Hole Location: SESW Sec. 29-10S-23E

660' FSL – 1980' FWL

Lease Serial No.: UTU-75109

Uintah County, Utah

Enduring Resources, LLC is responsible under the terms and conditions of the lease for the operations conducted upon leased lands. Bond coverage is provided by UTB000173.



Alvin R. (Al) Arlian
Regulatory Specialist
Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, CO 80202
(303) 350-5114

May 16, 2006

Date

ENDURING RESOURCES, LLC

425 Seventeenth Street, Suite 1500

Denver, Colorado 80202

Telephone: 303-573-1222

Facsimile: 303-573-0461

March 10, 2009

State of Utah
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Attention: Ms. Diana Mason

**RE: Request for Directional Well Location to Directionally Drill
Rock House 10-23-24-29**

Surface Location: NENW Sec. 32-10S-23E

502' FNL – 2138' FWL

Lease Serial No.: ML-47063

Bottom Hole Location: SESW Sec. 29-10S-23E

660' FSL – 1980' FWL

Lease Serial No.: UTU-75109

Uintah County, Utah

Dear Ms. Mason:

Enduring Resources, LLC ("ERLLC") respectfully requests permission to directionally drill the above-referenced well to reduce surface impact per the request of the BLM.

1. Enduring Resources, LLC is the only owner within 460' of any point of well bore,
2. Enduring Resources, LLC owns the entire section.

In the event there are any other outstanding matters preventing this APD from being approved, please let me know at your earliest convenience, 303-350-5114 (aarlian@enduringresources.com).

Very truly yours

ENDURING RESOURCES, LLC



Alvin R. (Al) Arlian
Landman – Regulatory Specialist

ara/

ENDURING RESOURCES
Rock House 10-23-24-29
Section 29, T10S, R23E, S.L.B.&M.

FROM THE INTERSECTION OF U.S. HIGHWAY 40 AND 500 EAST STREET IN VERNAL, UTAH PROCEED IN AN EASTERLY THEN SOUTHERLY DIRECTION ALONG U.S. HIGHWAY 40 APPROXIMATELY 3.3 MILES TO THE JUNCTION OF STATE HIGHWAY 45; EXIT RIGHT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 45 APPROXIMATELY 40.5 MILES TO THE JUNCTION OF THE DRAGON ROAD (COUNTY B ROAD 4180). THIS ROAD IS LOCATED APPROXIMATELY 4.8 MILES SOUTH OF BONANZA, UTAH. EXIT LEFT AND PROCEED IN A SOUTHEASTERLY DIRECTION ALONG COUNTY B ROAD 4180 APPROXIMATELY 4.0 MILES TO THE JUNCTION OF THE KINGS WELLS ROAD (COUNTY B ROAD 4190). EXIT RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION ALONG COUNTY B ROAD 4190 APPROXIMATELY 8.7 MILES TO THE JUNCTION OF THE ATCHEE RIDGE ROAD (COUNTY B ROAD 4270). CONTINUE ALONG COUNTY B ROAD 4190 IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 4.3 MILES TO THE JUNCTION OF THE LONG DRAW ROAD (COUNTY B ROAD 4260). CONTINUE ALONG COUNTY B ROAD 4190 IN A SOUTHERLY, THEN WESTERLY DIRECTION APPROXIMATELY 4.0 MILES TO THE JUNCTION OF COUNTY B ROAD 4160. EXIT RIGHT AND PROCEED IN A NORTHERLY DIRECTION ALONG COUNTY B ROAD 4160 APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THE BITTER CREEK ROAD (COUNTY B ROAD 4120). EXIT LEFT AND PROCEED IN A WESTERLY DIRECTION ALONG COUNTY B ROAD 4120 APPROXIMATELY 1.9 MILES TO THE JUNCTION OF COUNTY B ROAD 4230. EXIT RIGHT AND PROCEED IN A NORTHERLY DIRECTION ALONG COUNTY B ROAD 4230 APPROXIMATELY 0.9 MILES TO THE JUNCTION OF THE ATCHEES WASH ROAD (COUNTY B ROAD 4240). EXIT RIGHT AND PROCEED IN A NORTHERLY DIRECTION ALONG COUNTY B ROAD 4240 APPROXIMATELY 2.7 MILES TO THE INTERSECTION OF A CLASS D COUNTY ROAD. EXIT LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 1.4 MILES TO THE INTERSECTION OF THE SADDLETREE DRAW ROAD (COUNTY B ROAD 4230); EXIT RIGHT AND PROCEED IN A NORTHELY DIRECTION ALONG COUNTY B ROAD 4230 APPROXIMATELY 5.1 TO THE INTERSECTION OF A SERVICE ROAD. EXIT LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION ALONG THE SERVICE ROAD APPROXIMATELY 0.1 MILES TO THE EXISTING ROCK HOUSE 10-23-21-32 LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE ROCK HOUSE 10-23-21-32 WELL LOCATION IS APPROXIMATELY 77.4 MILES IN A SOUTHEASTERLY DIRECTION.

SPECIAL USE LEASE AGREEMENT NO. 1590

Fund: School

The STATE OF UTAH, acting by and through the SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION ("Lessor"), 675 East 500 South, Suite 500, Salt Lake City, Utah 84102, hereby leases to Enduring Resources LLC, ("Lessee"), a Delaware corporation licensed to do business in Utah, 475 – 17th Street, Suite 1500, Denver, CO 80202, the following described tract of State trust land (the "Subject Property") in Uintah County, Utah, to-wit:

Township 10 South, Range 23 East, SLB&M
Section 32: NE $\frac{1}{4}$ NW $\frac{1}{4}$ (within)

Beginning at a point in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 32, T10S, R23E, SLB&M, which bears S 70°48'41" W 592.71' from the North Quarter Corner of said Section 32, thence S 21°47'56" E 34.85'; thence S 08°33'08" W 34.50'; thence S 60°23'38" E 6.34'; thence S 36°20'39" E 36.94'; thence S 59°13'54" E 16.51'; thence N 85°18'18" E 19.85'; thence S 57°26'23" E 117.09'; thence S 46°32'24" E 34.63'; thence S 25°32'01" E 41.62'; thence S 43°04'22" E 40.85'; thence S 64°50'23" E 41.40'; thence S 36°42'49" E 53.41'; thence S 12°10'44" W 65.75'; thence S 39°45'50" W 39.59'; thence S 17°54'54" E 25.51'; thence S 53°55'10" W 17.27'; thence S 12°56'55" W 28.28'; thence S 14°39'23" E 51.81'; thence S 00°37'48" E 23.71'; thence S 27°30'43" W 45.90'; thence S 38°34'19" W 25.61'; thence S 55°18'17" W 7.58'; thence S 59°20'11" W 29.62'; thence N 22°10'17" W 59.54'; thence N 48°52'25" W 36.88'; thence N 42°41'13" W 44.68'; thence S 53°58'02" W 66.21'; thence N 41°46'19" W 67.77'; thence N 37°56'54" W 121.15'; thence N 34°43'46" W 41.39'; thence N 02°43'16" W 64.78'; thence N 29°29'58" W 45.74'; thence N 26°38'49" W 47.71'; thence N 35°53'12" E 51.78'; thence N 03°17'41" W 11.05'; thence N 44°31'49" W 34.49'; thence N 14°57'13" W 34.13'; thence N 36°22'46" E 10.23'; thence N 53°33'12" E 21.13'; thence N 10°05'02" W 68.56'; thence N 13°57'01" E 38.35'; thence N 71°35'40" E 37.42'; thence S 76°33'20" E 72.68' to the point of beginning. Basis of bearings is the North line of the NWQuarter of said Section 32 which is taken from global position satellite observations to bear S 89°45'59" W a measured distance of 2663.63'.

Containing 3.55 acres, more or less.

Lessee's use of the Subject Property shall be for a term of 20 years, commencing July 1, 2008, and expiring June 30, 2028 (the "Lease Term"), subject to any and all existing valid rights in said land and subject also to the following terms and conditions. Lessor and Lessee enter into this Special Use Lease Agreement (the "Lease") for the purpose that Lessee develop and use the land in the manner hereinafter described and consistent with the principles and objectives of land development expressed and implicit in the Enabling Act of Utah (Act of July 16, 1894, Ch. 138, 28 Stat. 107) and Article X of the Constitution of the State of Utah. The Lessee takes this Lease subject to the continued regulation of Lessor pursuant to the rules of the School and Institutional Trust Lands Administration now in effect or as they may be adopted hereafter.

Rock House 10-23-24-29

Rock House 10-23-34-29

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1. Purpose of Lease. The Subject Property shall be used by Lessee for the purpose of operating and maintaining an existing well pad site, Rock House 3-32-10-23 located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 32, Township 10 South, Range 23 East, SLB&M. Two wells ("Well #1 Rock House 10-23-24-29" and "Well #2 Rock House 10-23-34-29"; depicted on Exhibit A attached hereto and incorporated by reference) will be directionally drilled into the adjacent Federal land (Bureau of Land Management) located in Section 29, Township 10 South, Range 23 East, SLB&M. The pipe will not be perforated, and no oil, gas or hydrocarbons will be removed while the pipe passes thru the subsurface of the Subject Property. All improvements constructed on the Subject Property shall comply with the applicable provisions of the Uniform Building Code, current edition, and the International Conference of Building Officials.

2. Due Diligence. Lessee shall be in default under the terms of this Lease and Lessor shall have the right to terminate this Lease if Lessee has not substantially completed the improvements or used the Subject Property in the manner specified in Paragraph 1 above at the end of the three-year period from the date this Lease commences, and upon expiration of a written notice from Lessor to Lessee requiring performance within thirty (30) days of said written notice. Lessor shall have the right, in lieu of such termination, to grant one or more extensions in writing to such due diligence requirement, as Lessor deems advisable in its sole discretion. Such an extension by Lessor shall not be construed as a waiver of any preceding or succeeding breach of any of the provisions of this Lease.

3. Base Rental. Lessee shall pay annually in advance to Lessor, as rental for the Subject Property, the sum of \$7,500.00 (the "Base Rent") per well directionally drilled from the Subject Property on or before July 1 of each year during the Lease Term. This amount shall apply for the first five (5) year period of the Lease. Thereafter the Base Rent may be adjusted pursuant to Paragraph 4 below. Lessor acknowledges the receipt of \$15,950.00, which is payment of the Base Rent for the first year of the Lease for Well #1 and Well #2, and which includes a \$250.00 application fee, and a \$700.00 Lease processing charge authorized hereunder. Failure to pay the Base Rent for a period of one month from the date such rent is due, and upon expiration of a written notice from Lessor to Lessee requiring performance within thirty (30) days of the written notice, shall constitute a default and entitle the Lessor to terminate the Lessee's interest in the Lease and all improvements or to take other legal remedies available at law.

In addition to the above described provision for annual Base Rent, Lessor shall have the right to charge additional Base Rent for each directionally drilled well in addition to Wells #1 and #2 that may be drilled from the Subject Property. Lessee shall not drill any additional wells from the Subject Property without obtaining the prior written consent of Lessor, which consent shall not be unreasonably withheld.

4. Rental Fee Adjustments. Lessee agrees that Lessor shall have the right to adjust the Base Rent for each well authorized under this agreement at the end of the first five (5)-year period of the Lease Term, and then every five (5) years thereafter. Said adjustment shall be calculated as provided in Utah Administrative Code R850-30-400, or any replacing or amending

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Enduring Resources LLC
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legislation or rule, by methods in said rule as Lessor determines, in its sole discretion, is in the best interest of its beneficiaries.

5. Access.

a. Lessor Access. Lessee agrees to permit Lessor free and unrestricted access to and upon the Subject Property at all reasonable times for all lawful and proper purposes not inconsistent with the intent of this Lease or with the reasonable exercise and enjoyment by the Lessee of the rights and privileges granted herein.

b. Lessor's Right to Grant Additional Access. Lessee agrees that Lessor shall, in addition to Lessor's other rights, have the right to grant easements or rights-of-way over the Subject Property to third parties during the Lease Term, the duration and location of which shall be determined by Lessor, provided that such easements or rights-of-way shall not unreasonably interfere with the purposes of this Lease. Lessor shall inform Lessee, in writing, of its intent to issue such grants. If such easements or rights-of-way are granted, all other provisions of this Lease shall remain in full force and effect, and specifically Lessee's rental obligations under this Lease shall remain unchanged.

c. No Guarantee of Access. Lessor does not represent nor warrant that access to the Subject Property across private land, federal land, or other State land, to the extent it is required, is available to Lessee. Lessor does not covenant to obtain such access for Lessee.

6. Assignment.

a. Lessor Consent Required. Lessee shall not have the right to assign all or part of this Lease without Lessor's prior written consent, which consent may be withheld in Lessor's sole discretion. Any attempted assignment without Lessor's consent shall be null and void, shall constitute an immediate default under this Lease, and shall, at Lessor's election, result in the immediate termination of this Lease. In determining whether to grant approval for an assignment, Lessor shall be entitled to consider, among other items, the proposed assignee's financial condition, managerial capability, business reputation, nature of the proposed assignee's business, the current fair market rental value of the Subject Property, and such other factors as may reasonably bear upon the suitability of the proposed assignee as a lessee of the Subject Property. Lessee shall pay any applicable administrative fees required by Lessor in connection with Lessor's review of the proposed assignment.

b. No Waiver of Future Right to Approve. Consent of the Lessor to an assignment or transfer shall not constitute a waiver of the Lessor's right to approve subsequent assignments or transfers. The acceptance by Lessor of payment or performance following an assignment or transfer shall not constitute consent to any assignment or transfer, and Lessor's consent shall be evidenced only in writing.

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Enduring Resources LLC
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c. Continuation of Lease. An assignment does not constitute a new lease but is a continuation of the existing Lease. Assignment of this Lease shall not release Lessee from any of Lessee's obligations described herein as they relate to Lessee's use of the Subject Property.

7. Subleases. Lessee shall not have the right to sublease the Subject Property or any portion thereof. No sublease will be allowed or agreed to under this Lease.

8. Compliance. Lessee, in exercising the privileges granted by this Lease, shall comply with the provisions of all valid Federal, State, County, and Municipal laws, ordinances, and regulations which are applicable to the Subject Property and operations covered by this Lease.

9. Antiquities. It is hereby understood and agreed that all treasure-trove, all articles of antiquity, and critical paleontological resources in or upon the Subject Property are and shall remain the property of Lessor. Lessee agrees that all costs associated with archaeological and paleontological investigations on the Subject Property associated with the use of the Subject Property under this Lease that may be required by Lessor will be borne by Lessee. Lessee further agrees to cease all activity on the Subject Property and immediately notify Lessor if any discovery of human remains or a "site" or "specimen" as defined in Section 9-8-302 or 63-73-1 Utah Code Annotated (1953), as amended, is made on the Subject Property, and continue to cease all construction or maintenance therein until such time as the human remains, "site" or "specimen" in question has been treated to the satisfaction of Lessor.

10. Lessor's Options in Events of Default. In the event of a default or breach of any of the terms of this Lease by Lessee, Lessor may at any time and with or without notice do any one or more of the following:

a. Subject to applicable Utah law, reenter the Subject Property, remove all persons and property, and repossess and enjoy such premises.

b. Terminate this Lease and Lessee's right of possession of the Subject Property in accordance with Utah law. Such termination shall be effective upon Lessor's giving written notice and, upon receipt of such notice, Lessee shall immediately surrender possession of the Subject Property to Lessor. Upon such termination, all improvements on the Subject Property shall, at Lessor's discretion, be forfeited and become the property of Lessor subject only to any previously approved waiver of interest or security interest.

c. Maintain this Lease in full force and effect and recover any Base Rent or other consideration, including late fees, as it becomes due without terminating Lessee's right of possession regardless of whether Lessee shall have abandoned the Subject Property.

d. The Lessor may seek damages for any and all violations or defaults with or without canceling this Lease. In the event Lessor deems the breach or default to

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constitute a threat to safety, life, or property, it may elect to intervene immediately, without notice, to remedy the breach or default and Lessee hereby agrees to repay Lessor for all costs in remedying the breach or default upon demand, together with interest thereon from the date of expenditure. Alternatively, Lessor may require Lessee itself to act immediately to remedy the breach or default, should Lessor deem it a threat to safety, life, or property.

e. Exercise any other right or remedy which Lessor may have at law or equity.

Notwithstanding the foregoing, if any of the provisions of this Lease provide that Lessor will provide Lessee with notice of default and a period of time in which to cure the default prior to Lessor taking action on such, Lessor shall be bound to provide such notice and cure period.

11. Development at Lessee's Expense. Lessee shall bear all expenses in connection with the development, improvement, construction, alteration and maintenance of the Subject Property and of all improvements thereon, and shall indemnify, defend and hold Lessor harmless therefrom.

12. Improvements upon Termination or Expiration. All improvements, and all alterations and additions thereto constructed by or on behalf of Lessee on the Subject Property shall be and remain the exclusive property of Lessee during the term of this Lease. Such improvements may be removed at any time during the Lease Term unless: (a) such removal would cause damage to the Subject Property, unless, in such case, Lessee repairs any such damage and restores the Subject Property to substantially the same condition as existed prior to the removal of such property; (b) Lessee is in default of any of the terms of this Lease; or (c) an event shall have occurred which, with the giving of notice or the passage of time, or both, would constitute a default under the terms of this Lease. Upon the expiration or early termination of this Lease, Lessor shall have the option, in its sole discretion, of retaining all such improvements, and all alterations and additions thereto, and Lessee or those holding under or through Lessee would have no rights with respect thereto. Notwithstanding the foregoing, Lessor may choose, in its sole discretion, for such improvements to remain the property of Lessee. In the event Lessor chooses not to retain the improvements on the Subject Property upon the termination or early expiration of the Lease, Lessee shall remove said improvements and the Subject Property shall be restored to substantially the same condition as existed prior to the removal of the improvements within sixty (60) days of notice from the Lessor requiring such. Said removal of improvements and restoration of the Subject Property shall be at Lessee's sole cost and expense. This Paragraph 12 is not intended to include Personal Property (as defined in Paragraph 13) which belong to Lessee or to the sublessees of Lessee.

13. Lessee's Personal Property. Upon the expiration or earlier termination of this Lease, and within thirty (30) days of such expiration or early termination, Lessee shall have the right to remove from the Subject Property all trade fixtures, equipment and personal property, including, without limitation, all machinery, furniture and furnishings and inventories now or hereafter maintained or used in or about the Subject Property by Lessee, any of Lessee's

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sublessees, or any licensee, concessionaire, or invitee (the "Personal Property"). In the event that the removal of any such Personal Property would cause damage to the Subject Property, Lessee shall repair any such damage and restore the damaged improvements to substantially the same condition as existed prior to the removal of such property. Lessee shall remove all Personal Property and restore the Subject Property, at Lessee's sole cost and expense, within sixty (60) days of notice from the Lessor regarding the Lease expiration or Lease termination.

14. Survival. Lessee agrees that all obligations of Lessee to be performed prior to the assignment, expiration or earlier termination shall not cease upon the assignment, termination or expiration of this Lease, and shall continue as obligations until fully performed. All clauses of this Lease which require performance beyond the effective date of assignment, termination or expiration date shall survive the assignment, termination or expiration date of this Lease. However, upon assignment, expiration or earlier termination of this Lease, the rights of Lessee and of all persons, firms, corporations, and entities claiming under Lessee in and to the Subject Property and all improvements thereon, unless specified otherwise in this Lease, shall cease.

15. Mechanics' Liens.

a. Lessee is Not Lessor's Agent. The parties agree, and notice is hereby given, that Lessee is not the agent of Lessor for the construction, alteration or repair of any improvements on the Subject Property, the same being done at the sole direction and expense of Lessee. All contractors, material men, mechanics, and laborers are hereby charged with notice that they must look only to Lessee for the payment of any charge for work done or material furnished on the Subject Property during the Lease Term. Lessee shall have no right, authority or power to bind Lessor or any interest of Lessor for the payment of any claim for labor or material, or for any charge or expense, incurred by Lessee as to improvements, alterations or repairs on or to the Subject Property, and Lessee shall post notices on the Subject Property during all construction work of any nature whatsoever that Lessor is not responsible for any material and labor used on the Subject Property.

b. Covenant Against Mechanic's Liens. Lessee shall not suffer or permit to be enforced against the Subject Property, or any part thereof, and shall indemnify and hold Lessor and the Subject Property harmless for, from, and against (i) any mechanic's, material men's, contractor's or subcontractor's liens arising from, and (ii) any claim for damage growing out of the work of, any construction, repair, restoration, replacement, or improvement done by or on behalf of Lessee. Lessee shall pay or cause to be paid all of such liens, claims, or demands before any action is brought to enforce the same against the Subject Property. If a prohibited lien is filed against the Subject Property, then Lessee shall, at its expense, defend itself and Lessor against the same and shall pay and satisfy any adverse judgment that may be rendered thereon prior to execution thereof and in the event of any such contest Lessee shall at the request of Lessor provide such security and take such steps as may be required by law to release the Subject Property from the effect of such lien.

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c. Protection of Lessor. NOTICE IS HEREBY GIVEN THAT LESSOR SHALL NOT BE LIABLE FOR ANY LABOR OR MATERIALS FURNISHED OR TO BE FURNISHED TO LESSEE UPON CREDIT, AND THAT NO MECHANIC'S OR OTHER LIEN FOR ANY SUCH LABOR OR MATERIALS SHALL ATTACH TO OR AFFECT THE SUBJECT PROPERTY. NOTHING IN THIS LEASE SHALL BE DEEMED OR CONSTRUED IN ANY WAY TO CONSTITUTE LESSOR'S CONSENT OR REQUEST, EXPRESS OR IMPLIED, BY INFERENCE OR OTHERWISE, TO ANY CONTRACTOR, SUBCONTRACTOR, LABORER, EQUIPMENT OR MATERIAL SUPPLIER FOR THE PERFORMANCE OF ANY LABOR OR THE FURNISHING OF ANY MATERIALS OR EQUIPMENT FOR ANY CONSTRUCTION, NOR AS GIVING LESSEE ANY RIGHT, POWER OR AUTHORITY TO CONTRACT FOR, OR PERMIT THE RENDERING OF, ANY SERVICES, OR THE FURNISHING OF ANY MATERIALS THAT WOULD GIVE RISE TO THE FILING OF ANY LIENS AGAINST THE FEE ESTATE. LESSEE SHALL INDEMNIFY LESSOR AGAINST ANY CONSTRUCTION UNDERTAKEN BY LESSEE OR ANYONE CLAIMING THROUGH LESSEE, AND AGAINST ALL PROHIBITED LIENS.

16. Payment of Taxes and Assessments. Lessee shall pay, prior to delinquency: (a) all taxes, assessments, levies, fees, fines, penalties and all other governmental charges, general and special, ordinary and extraordinary, foreseen and unforeseen, which, during the Lease term, are imposed or levied upon or assessed against (i) the Subject Property, (ii) any Base Rent or any other sum payable by Lessee hereunder or (iii) this Lease, the leasehold estate hereby created or which arises in respect of the operation, possession or use of the Subject Property; and (b) all sales, transaction privilege or similar taxes imposed or levied upon, assessed against or measured by any Base Rent or other amounts payable to Lessor hereunder, but not income taxes. If Lessee fails to pay any of the foregoing before they become delinquent, Lessor, after notice to Lessee, may but has no obligation to pay such delinquent taxes, assessments, levies, fees, fines, penalties and governmental charges, and all expenditures and costs incurred thereby shall be payable hereunder within twenty (20) days after such notice to Lessee. Lessee will furnish to Lessor, promptly after demand therefore, proof of payment of all items referred to above which are payable by Lessee. If any such assessment may be legally paid in installments, Lessee may pay such assessment in installments.

17. Indemnity. In addition to Lessee's indemnification obligations under Paragraph 30 of this Lease relating to environmental matters, Lessee agrees to protect, indemnify, defend and save harmless Lessor, its agents, contractors and employees, from, for and against all claims, demands, damages, costs, fees, (including without limitation attorney's fees and expert witness fees), losses, expenses and causes of action of every kind or character whatsoever ("Losses") arising because of, for, out of, or in any way connected with the use of the Subject Property by, or the operations and activities of, Lessee, its agents, contractors, employees, successors and assigns, including, but not limited to such Losses on account of bodily injuries, death or damage to property, except to the extent such Losses result from the intentional acts of the Lessor. Lessee shall defend all suits brought upon such claims and pay all attorney's fees, costs and expenses related or incidental to such defense, but Lessor shall have the right, at its option, to

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retain counsel and participate in the defense of any such suit without relieving Lessee of any obligation hereunder. The indemnity obligations of Lessee pursuant to this Paragraph 18 shall continue in full force and effect following the assignment, expiration or termination of the Lease.

18. Insurance. The following insurance requirements are minimum requirements for this Lease and in no way limit Lessee's indemnity or other obligations under this Lease.

a. Casualty Insurance. Lessee will, at all times during the Lease Term and at the sole cost and expenses of Lessee, keep all improvements, equipment, and fixtures on the Subject Property insured for the benefit of Lessor and Lessee, as co-insureds, to the extent of one hundred percent (100%) of the full replacement cost thereof against loss or damage from fire and other risks normally insured against in special perils insurance coverage. Notwithstanding the foregoing, Lessee shall not be required to insure the Subject Property or improvements thereon against earthquake or terrorist attack. If proceeds from any such casualty insurance are disbursed to Lessee due to damage on the Subject Property, Lessee shall use the disbursement to restore the Subject Property to its condition prior to the event causing such damage.

b. Liability Insurance. Lessee will, at all times during the Lease Term and at the sole cost and expense of Lessee, maintain commercial general liability bodily injury and property damage liability insurance against claims for bodily injury, death, or property damage, occurring in, on, or about the Subject Property (including any injury, death, or property damage arising from a hazardous activity permitted under the Lease), such insurance to afford minimum protection during the entire term of not less than Two Million Dollars (\$2,000,000.00) in respect of bodily injury or death to any one person or in respect of any one accident, or property damage, or Four Million Dollars (\$4,000,000.00) in the aggregate, the foregoing dollar amounts being subject to increase by the percentage increase in the CPI not more frequently than every five (5) Lease years, provided that Lessee shall not carry less than the amount or scope of coverage customary in the industry from time to time. The policy shall fully insure against any and all loss, damage, liability, and injury incurred by any person, firm, corporation, or government entity arising out of the performance of this Lease, regardless of the fault of Lessee, its agents and employees, regardless of the fault of Lessor, its agents and employees, and regardless of the fault of third persons not parties to this Lease.

c. Workers Compensation. Lessee, at the sole cost and expense of Lessee, shall also maintain and keep in force workers compensation insurance covering all persons employed in connection with any activities on the Subject Property and with respect to whom death or bodily injury claims could be asserted against Lessor, Lessee, or the Subject Property.

d. Environmental Insurance. Lessee agrees to maintain, at the sole cost and expense of Lessee, a policy of environmental pollution liability insurance or similar environmental insurance covering environmental liabilities associated with Lessee's

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operation under or related to this Lease, in the amount of at least Two Million Dollars (\$2,000,000.00).

e. Builder's Risk Insurance. If applicable, during any period of building construction, including the construction of the initial improvements and all alterations and restorations, Lessee, at the sole cost and expense of Lessee, shall provide and maintain Builder's Risk Insurance.

f. Other Insurance. Lessee, at the sole cost and expense of Lessee, shall at all times during the Lease Term, maintain in force such other and additional insurance policies as a prudent ground Lessee in the position of Lessee would maintain or as Lessor may require from time to time. Lessor shall be an additional insured on all such policies.

g. Policy Requirements. All insurance policies required or otherwise provided and maintained under this Paragraph 19 shall:

- i. Be approved by Lessor;
- ii. Name Lessor as loss payee or additional insured as its interest may appear, except for workers compensation coverage;
- iii. Be issued by a company or companies rated "A-12" or better by the then most current edition of Best's Insurance Guide (or if such guide is no longer published, then having a comparable rating as specified by Lessor from time to time);
- iv. Provide that the insurance shall not be canceled or modified without thirty (30) day's prior written notice to Lessor and that no modification shall be effective unless approved in writing by Lessor;
- v. To the extent reasonably obtainable, expressly waive any right of subrogation against Lessor;
- vi. Provide that the insurance coverage for the State or Lessor is primary and not contributing; that other insurance of the State or Lessor is excess over the insurance required by this Lease; and, the amount of the insurance company's liability or coverage limits required by this Lease shall not be reduced by the existence of other State or Lessor insurance.

h. Proof of Insurance. Upon the commencement date of this Lease, and thereafter not less than thirty (30) days prior to the expiration dates of the policies furnished pursuant to this Paragraph 19, Lessee shall deliver to Lessor policy copies or certificates thereof, bearing notations evidencing the payment of premiums or accompanied by other evidence of such payment.

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Enduring Resources LLC
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i. Adjustments. Lessor shall have the right to participate in the adjustment of any insurance claim filed by Lessee relating to any insurance required by this Paragraph to the extent necessary to protect their respective interests in the Subject Property and the improvements.

19. Remedies Cumulative. The specified remedies to which Lessor may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which Lessor may lawfully be entitled in case of any breach or threatened breach by Lessee of any provision of this Lease.

20. Force Majeure. If either Party, without fault or negligence by such Party, is rendered unable by Force Majeure, as defined hereinbelow, to perform any obligation of this Lease, other than Lessee's obligation to pay Lessor Base Rent, Royalties or other consideration, including late fees, then upon such Party promptly giving written notice to the other Party, the performance of such obligation shall be suspended during the period of time the inability to perform continues as a result of an event of Force Majeure, and such Party shall be relieved of liability for its failure to perform during such period of time; provided that the Party asserting an inability to perform shall use its best efforts to correct such inability and to resume promptly its performance as required under the Lease. The term Force Majeure shall mean causes or events such as an act of God, act of civil or military authority, fire, epidemic, flood, earthquake, riot, war, sabotage, or other similar cause or event not within such Party's reasonable control. The written notice provided under this Paragraph shall set forth the particular nature and circumstances of the Force Majeure, the expected effect of the Force Majeure on the Party's performance under the Lease, and the expected date the Party will resume performance.

21. Bonds. Lessee, at the sole cost and expense of Lessee, shall furnish to Lessor and maintain during the Lease Term a performance and reclamation bond in a form acceptable to Lessor in the initial amount of \$5,000.00. It is expressly agreed that Lessor may at any time, upon thirty (30) days notice by certified mail, require Lessee to furnish Lessor such additional performance and reclamation bond as Lessor may deem to be in the best interest of the State of Utah. At the end of each five (5) year period during the term of the Lease, and at such time as Lessor shall adjust Base Rent, as described in Paragraph 4(a) hereof, Lessor shall review the sufficiency of the performance bond and may adjust the amount and requirements set forth herein.

22. Obligations on Lease Termination. Upon the termination of this Lease for any cause whatsoever, Lessee shall immediately surrender peaceable possession of the Subject Property, including all buildings, structures, fixtures and other improvements then located thereon in a good, clean and tenantable condition (ordinary depreciation, reasonable wear and tear, casualty loss, and condemnation loss excepted), subject, however, to the right of Lessee to remove Personal Property as provided in Paragraph 13 of this Lease.

23. Mineral Exploration. Lessor expressly reserves the right to lease the Subject Property to third parties for mineral exploration and/or development purposes and reserves the

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right to grant as much access across the surface as reasonably necessary to develop the mineral estate, including ingress and egress.

24. Title. Lessor claims to hold title to the Subject Property in fee simple, but makes no warranty of any kind whatsoever to Lessee of the validity of Lessor's title to the Subject Property. Lessee shall have no claim for damages or refund against the Lessor for any claimed failure or deficiency of Lessor's title to said lands or for interference by any third party. Lessee takes possession subject to all existing encumbrances, rights-of-way, or encroachments as may exist or be of record. Possession is subject to a reservation by Lessor of rights-of-way as may be necessary to access other state land.

25. Water Rights. Any water rights needed or used to fulfill the purposes of this lease on the subject property shall be subject to the following:

a. If Lessee needs to establish a new water right by appropriation on the Subject Property, any application to appropriate shall be filed by Lessor in Lessor's name and shall become appurtenant to the subject property upon approval by the Utah State Engineer. The Lessee shall pay all fees and costs associated with the application, and shall have the right to use the water during the life of this Lease.

b. In the event the water needs of the Lessee can be met by transferring onto the Subject Property water rights owned by Lessee, any change application to do so shall be filed jointly in the name of Lessee and Lessor at no cost to Lessor. Upon termination of this Lease 50% of the water rights (based on depletion) shall be conveyed by Lessee to Lessor.

26. Fire. Lessee shall at all times observe reasonable precautions to prevent fire on the Subject Property and shall comply with all applicable laws and regulations of any governmental agency having jurisdiction. In the event of a fire on the Subject Property proximately caused by Lessee, its servants, employees, agents, sublessees, assignees or licensees which necessitates suppression action by Lessor, Lessee agrees to reimburse Lessor for the cost of such fire suppression action.

27. Fencing. Lessee may fence the Subject Property at its own expense. If there is no fence erected, Lessee shall have no right of action against any State grazing permittee by reason of a trespass upon the Subject Property. The right of Lessee to fence the Subject Property shall be subject to the Lessor's rights of access across State lands to other State lands. In addition, in the event Lessee erects any fencing, Lessee agrees to provide access to, through, and across the Subject Property to Lessor and to any lessees or permittees granted rights or access to or across the Subject Property, or any part thereof, by Lessor.

28. Waste. Lessee shall neither commit nor permit any waste on the Subject Property. Lessee shall maintain the Subject Property in good condition and at its own expense, free from any nuisance. Surface and subsurface areas will be cleaned of all trash, debris, and waste of any kind to the satisfaction of Lessor. Lessee shall maintain the Subject Property to

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standards of repair, orderliness, neatness, sanitation, and safety as required by applicable law and regulations.

29. Non-Approved Materials. Lessee shall not make, or suffer to be made, any filling in of the Subject Property or any deposit of rock, earth, ballast, refuse, garbage, waste matter, chemical, biological or other wastes, hydrocarbons, any other pollutants, or other matter within or upon the Subject Property, except as approved in writing by the Lessor. If the Lessee fails to remove all non-approved fill material, refuse, garbage, wastes or any other of the above materials from the Subject Property, the Lessee agrees that the Lessor may, but is not obligated to, remove such materials and charge the Lessee for the cost of removal and disposal.

30. Environmental.

a. Definitions. As used in this Lease, the following terms shall mean the following:

i. "De Minimis Amounts" means any Hazardous Substance either (a) being transported on or from the Subject Property or being stored for use by Lessee on the Subject Property or (b) being currently used by Lessee on the Subject Property, in either case in such quantities and in a manner that both (i) does not constitute a violation or threatened violation of any Environmental Law or require any reporting or disclosure under any Environmental Law and (ii) is consistent with customary business practice for such operations in the State of Utah.

ii. "Environmental Claim" means any and all actual or threatened liabilities, claims, actions, causes of action, judgments, orders, inquiries, investigations, studies or notices relating to any Hazardous Substance or any Environmental Law including without limitation those arising as a result of strict liability, whether under Environmental Law or otherwise, and those arising out of the negligence of any Indemnified Party.

iii. "Environmental Costs" means damages (including foreseeable and unforeseeable consequential damages), damages to natural resources, losses, fines, penalties, judgments, awards, settlements, and costs and expenses (including, without limitation, reasonable attorneys' fees, experts', engineers' and consultants' fees, and costs and expenses of investigation, testing, remediation and dispute resolution).

iv. "Environmental Law" means any federal, state or local law, whether common law, statute, ordinance, rule regulation, or judicial or administrative decision or policy or guideline pertaining to regulation or protection of the environment, prevention of pollution, protection of human health, industrial hygiene, environmental conditions, Hazardous Substance, solid and hazardous waste disposal, storage tanks and including, and all amendments thereto as of this date and to be added in the future and any successor statute or rule or regulation promulgated thereto.

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v. "Hazardous Substance" shall mean: (a) any substance, material, or waste that is included within the definitions of "hazardous substances," "hazardous materials," "hazardous waste," "toxic substances," "toxic materials," "toxic waste," or words of similar import in any Environmental Law; (b) those substances listed as hazardous substances by the United States Department of Transportation (or any successor agency) (49 C.F.R. 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) (40 C.F.R. Part 302 and amendments thereto); and (c) any substance, material, or waste that contains petroleum or is petroleum, petroleum-related, or a petroleum by-product, asbestos or asbestos-containing material, polychlorinated biphenyls, flammable, explosive, radioactive, freon gas, radon, or a pesticide, herbicide, or any other agricultural chemical, except as such is expressly permitted in this Lease.

vi. "Indemnified Party" and "Indemnified Parties" mean and include Lessor and the State of Utah and their respective officers, directors, employees, agents, elected and appointed officials, successors and assigns.

vii. "Release" means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, migrating, disposing, or dumping of any substance into the environment.

b. Covenants of Lessee.

i. Lessee shall at all times comply with Environmental Law.

ii. Lessee shall neither use nor permit any third party to use, generate, manufacture, produce, store, or Release, in, on, under or about the Subject Property, or transfer to or from the Subject Property, any Hazardous Substance except De Minimis Amounts in compliance with all applicable Environmental Law, provided that if any third party, by act or omission or by intent or accident, allows any foregoing action to occur, Lessee shall promptly remedy such condition, at its sole expense and responsibility. Furthermore, Lessee shall not permit any liens under any Environmental Law to be placed on any portion of the Subject Property.

iii. Lessee shall promptly notify Lessor in writing if Lessee has any actual knowledge or notice of the following: (a) any lien, action or notice affecting the Subject Property or Lessee applicable to the Subject Property; or (b) the institution of any investigation, inquiry or proceeding concerning Lessee or the Subject Property pursuant to any Environmental Law or otherwise relating to Hazardous Substances.

iv. The obligations of Lessee under this Lease shall not be diminished or affected in any respect as a result of any notice, disclosure or knowledge, if any, to or by an Indemnified Party of the Release, presence, existence or threatened Release

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of Hazardous Substances in, on, around, or potentially affecting the Subject Property or the soil, groundwater or soil vapor on or under the Subject Property, or of any matter covered by the obligations of Lessee hereunder. An Indemnified Party shall not be deemed to have permitted, caused, contributed to or acquiesced in any such Release, presence, existence or threatened Release of Hazardous Substances or any other matter covered by the obligations of Lessee hereunder, solely because the Indemnified Party had notice, disclosure or knowledge thereof, whether at the time this Lease is delivered or at any other time.

v. Lessee shall conduct and complete, to the satisfaction of Lessor and all applicable governmental authorities, all remedial, removal, and other actions necessary to clean up and remove Hazardous Substances (other than De Minimis Amounts) in, on, or materially affecting the Subject Property: (a) in accordance with all applicable Environmental Laws; and (ii) in accordance with all applicable orders and directives of all governmental authorities. Lessee shall provide to Lessor copies of all results and reports relating to such remedial, removal, and other actions.

c. Rights of Lessor.

i. Lessor shall have the right, but not the obligation, without in any way limiting the other rights and remedies of Lessor under this Lease, to enter onto the Subject Property, take and remove soil or groundwater samples, conduct tests and/or site assessments on any part of the Subject Property or to take such other actions as it deems necessary or advisable to clean up, remove, resolve, or minimize the impact of, or otherwise deal with, any Hazardous Substances on or affecting the Subject Property following receipt of any notice from any person or entity asserting the existence or possible existence of any Hazardous Substances pertaining to the Subject Property or any part thereof that, if true, could result in an Environmental Claim, order, notice, suit, imposition of a lien on the Subject Property. All reasonable costs and expenses paid or incurred by Lessor in the exercise of any such rights shall be payable by Lessee upon demand.

ii. Lessor shall have the right at any time to appear in and to participate in, as a party if it elects, and be represented by counsel of its own choice in, any action or proceeding in connection with any Environmental Law that affects the Subject Property. Upon demand by any Indemnified Party, Lessee shall defend any investigation, action or proceeding involving any matter covered by the obligations of Lessee hereunder which is brought or commenced against any Indemnified Party, whether alone or together with Lessee or any other person, all at the cost of Lessee and by counsel to be approved by the Indemnified Party in the exercise of its reasonable judgment. In the alternative, any Indemnified Party may elect to conduct its own defense at the expense of Lessee. Lessee shall not, without the prior written consent of Lessor: (a) settle or compromise any action, suit, proceeding or claim or consent to the entry of any judgment that does not include as an unconditional term thereof the delivery by the claimant or plaintiff to Lessor of a

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full and complete written release of the Indemnified Parties (in form, scope and substance satisfactory to Lessor in its sole discretion) from all liability in respect of such action, suit, proceeding or claim; or (b) settle or compromise any action, suit, proceeding or claim in any manner that may adversely affect the Indemnified Parties or obligate the Indemnified Parties to pay any sum or perform any obligation as determined by in its sole discretion.

31. Environmental Indemnity.

a. Lessee's Indemnity. In addition to those indemnification obligations in Paragraph 17, Lessee shall indemnify, defend, and hold the Indemnified Party harmless from, for and against any and all Environmental Claims and any and all Environmental Costs that directly or indirectly arise out of or relate in any way to:

i. Any investigation, cleanup, remediation, removal, or restoration work of site conditions of the Subject Property relating to Hazardous Substances (whether on the Subject Property or any other property);

ii. Any resulting damages, harm, or injuries to the person or property of any third parties or to any natural resources involving Hazardous Substances relating to the Subject Property;

iii. Any actual or alleged past or present disposal, generation, manufacture, presence, processing, production, Release, storage, transportation, treatment, or use of any Hazardous Substance on, under, or about the Subject Property;

iv. Any actual or alleged presence of any Hazardous Substance on the Subject Property;

v. Any actual or alleged past or present violation of any Environmental Law relating to the Subject Property;

vi. Any actual or alleged past or present migration of any Hazardous Substance from the Subject Property to any other property, whether adjoining, in the vicinity, or otherwise, or migration of any Hazardous Substance onto the Subject Property from any other property, whether adjoining, in the vicinity, or otherwise;

vii. Any lien on any part of the Subject Property under any Environmental Law;

viii. Any Environmental Claim by any federal, state, or local governmental agency and any claim that any Indemnified Party is liable for any such asserted Environmental Claim allegedly because it is an "owner" or "operator" of the Subject Property under any Environmental Law;

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ix. Any Environmental Claim asserted against any Indemnified Party by any person other than a governmental agency, including any person who may purchase or lease all or any portion of the Subject Property from Lessee, from any Indemnified Party, or from any other purchaser or Lessee; any person who may at any time have any interest in all or any portion of the Subject Property; any person who may at any time be responsible for any cleanup costs or other Environmental Claims relating to the Subject Property; and any person claiming to have been injured in any way as a result of exposure to any Hazardous Substance relating to the Subject Property;

x. Any Environmental Claim which any Indemnified Party reasonably believes at any time may be incurred to comply with any law, judgment, order, regulation, or regulatory directive relating to Hazardous Substances and the Subject Property, or which any Indemnified Party reasonably believes at any time may be incurred to protect the public health or safety;

xi. Any Environmental Claim resulting from currently existing conditions in, on, around, or materially affecting the Subject Property, whether known or unknown by Lessee or the Indemnified Parties at the time this Lease is executed, and any such Environmental Claim resulting from the activities of Lessee, or any other person, in, on, around, or materially affecting the Subject Property; or

xii. Breach of any covenant of Lessee under this Lease.

- b. Defense. Lessee shall defend all suits brought upon such claims and pay all fees, costs, and expenses incidental thereto, but Lessor shall have the right, at its option, to participate in the defense of any such suit without relieving Lessee of any obligation hereunder.
- c. Continuing Obligation. The indemnity obligations of Lessee pursuant to this Paragraph 31 shall continue in full force and effect following the assignment, expiration or termination of the Lease.
- d. Scope of Indemnity. Lessee shall be obligated to indemnify Indemnified Parties pursuant to this Paragraph 31 only for those Environmental Claims and Environmental Costs that arise from or relate to use of the Subject Property by, or the operation and activities of, Lessee, its agents, contractors, employees, successors and assigns. The foregoing indemnity is expressly intended to include, and does include, any Environmental Claims or Environmental Costs arising as a result of any strict liability imposed or threatened to be imposed on an Indemnified Party in connection with any of the indemnified matters described in this Paragraph 31 or arising as a result of the negligence of an Indemnified Party in connection with such matters; provided, however, that notwithstanding anything contained herein to the contrary, the foregoing indemnity shall not apply to (i) matters resulting solely from the gross

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negligence or willful misconduct of any Indemnified Party, or (ii) matters resulting solely from the actions of Indemnified Parties taken after such parties have taken title to, or exclusive possession of the Subject Property, provided that, in both cases, such matters shall not arise from or be accumulated with any condition of the Subject Property, which condition was not caused by an Indemnified Party.

32. No Partnership. Lessor is not a partner nor a joint venturer with Lessee in connection with the activities conducted and business carried on under this Lease and Lessor shall have no obligation with respect to Lessee's debts or other liabilities.

33. Time of Essence. Time is expressly declared to be of the essence in this Lease and each and every covenant of Lessee hereunder.

34. Amendments. Any amendments, revisions, supplements, or additions to this Lease or the attached exhibits, if applicable, shall be made in writing executed by the parties hereto, and neither Lessor nor Lessee shall be bound by verbal or implied agreements.

35. Invalidity. If any term or provision of this Lease or the application thereof to any person or circumstance shall to any extent prove to be invalid, unenforceable, void, or illegal, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall be not affected thereby, and each term and provision of this Lease shall be valid and be enforced as written to the fullest extent permitted by law.

36. Lease Subject to Law. This Lease is issued pursuant to and subject to the terms and provisions of Title 53C, Utah Code Annotated, the School and Institutional Trust Lands Management Act of 1994, as amended. This Lease is subject to the rules of the School and Institutional Trust Lands Administration now or hereafter in force.

37. Governing Law; Venue. The terms, conditions, covenants, and agreements herein contained shall be governed, construed, and controlled according to the laws of the state of Utah. Any action brought in connection with this Lease shall be brought in the Third District Court for Salt Lake County, Utah, subject, however, to any legal requirement for prior exhaustion of administrative remedies.

38. Survey Monuments. Lessee shall take reasonable precautions to protect, in place, all public land survey monuments and private property corners.

39. No Waiver of Conditions. Waiver by Lessor of any default of Lessee or failure of Lessor to timely enforce any provisions of this Lease shall not constitute a waiver of or constitute a bar to subsequent enforcement of the same or other provisions of this Lease. No provision in this Lease shall be construed to prevent Lessor from exercising any legal or equitable remedy it may otherwise have.

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40. Attorney's Fees. If any action is brought because of a default under or to enforce or interpret this Lease, each party shall pay their own attorneys' fees.

41. Lessor's Lien. Lessor shall have at all times a valid lien for all rent and other sums of money becoming due hereunder from Lessee, upon all goods, wares, equipment, fixtures, furniture and other personal property of Lessee situated on the Subject Property, and such property shall not be removed therefrom without the consent of Lessor until all arrearages in Base Rent as well as any and all other sums of money then due to Lessor hereunder shall first have been paid and discharged. Upon the occurrence of any event of default by Lessee, Lessor may, in addition to any other remedies provided herein or by law, enter upon the Subject Property and take possession of any and all goods, wares, equipment, fixtures, furniture and other personal property of Lessee situated on the Subject Property without liability for trespass or conversion, and sell the same with or without notice at public or private sale, with or without having such property at the sale, at which Lessor or its assigns may purchase, and apply the proceeds thereof less any and all expenses connected with the taking of possession and sale of the property, as a credit against any sums due by Lessee to Lessor. Any surplus shall be paid to Lessee and Lessee agrees to pay any deficiency forthwith. Alternatively, the lien hereby granted may be foreclosed in the manner and form provided by law for foreclosure of security interest or in any other form provided by law. The statutory lien for rent is not hereby waived, the express contractual lien herein granted being in addition and supplementary thereto. Anything herein to the contrary notwithstanding, purchase money financing of Lessee's removable trade fixtures and equipment shall not be a default. Lessee will execute upon Lessor's request a financing statement and security agreement evidencing Lessor's security interest in Lessee's personal property and warrants to Lessor that there are no prior liens or security interest on said personal properties.

42. Notice. Any notice contemplated herein shall be in writing and shall be deemed sufficient if deposited in the United States mail, postage prepaid and certified or registered, and addressed to Lessor or Lessee at the addresses contained herein.

43. Inspection. The State of Utah and the Lessor, and their authorized representatives shall have the right, at any reasonable times during the Lease Term, to enter upon the Subject Property, or any part thereof, to inspect the same and all buildings and other improvements erected and placed thereon.

44. Tax Immunity. Nothing contained in this Lease shall be deemed to constitute a waiver of applicable laws providing tax immunity to trust property or any interest therein or income therefrom.

45. No Waiver of Sovereign Immunity. By this Lease, Lessor does not waive, limit, or modify any sovereign immunity from suit except as specifically provided herein.

46. Entire Agreement. This Lease sets forth all the promises, inducements, agreements, conditions, and understandings between Lessor and Lessee relative to the Subject Property, and there are no promises, agreements, conditions, or understandings, either oral or

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written, express or implied, between them other than are set forth herein. No subsequent alteration, amendment, change, or addition to this Lease shall be binding upon Lessor or Lessee unless in writing and signed by each of them.

IN WITNESS WHEREOF, the State of Utah, by and through the School and Institutional Trust Lands Administration, has caused these presents to be executed this 22 day of July, 2008 by the Director.

Lessor:

STATE OF UTAH
SCHOOL AND INSTITUTIONAL
TRUST LANDS ADMINISTRATION
675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818

By: [Signature]
KEVIN S. CARTER, DIRECTOR

Lessee:

Enduring Resources LLC
475 - 17th Street, Suite 1500
Denver, CO 80202

By: [Signature]
Its: Alex B. Campbell, Vice President

APPROVED AS TO FORM:
MARK L. SHURTLEFF
ATTORNEY GENERAL

BY: [Signature]
Special Assistant Attorney General

Director Review _____

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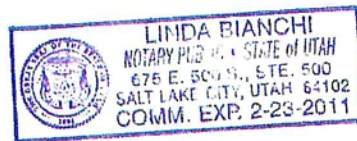
STATE OF UTAH)
 : §
COUNTY OF SALT LAKE)

On the 22nd day of July, 2008, personally appeared before me Kevin S. Carter, who being by me duly sworn did say that he is the Director of the School and Institutional Trust Lands Administration, and the signer of the above instrument, who duly acknowledged that he executed the same.

Given under my hand and seal this 22nd day of July, 2008.

My commission expires: 2/23/11

Linda Bianchi
Notary Public, residing at:



STATE OF COLORADO)
CITY AND : §
COUNTY OF DENVER)

On the 14th day of JULY, 2008, personally appeared before me ALEX B. CAMPBELL, who being by me duly sworn did say that (s)he is the VICE PRESIDENT of Enduring Resources LLC and the signer of the above instrument, who duly acknowledged that (s)he executed the same.

Given under my hand and seal this 14th day of JULY, 2008.

My commission expires:

[Signature]
Notary Public, residing at: 6860 So SALIDA CT
FOXFIELD, CO 80016

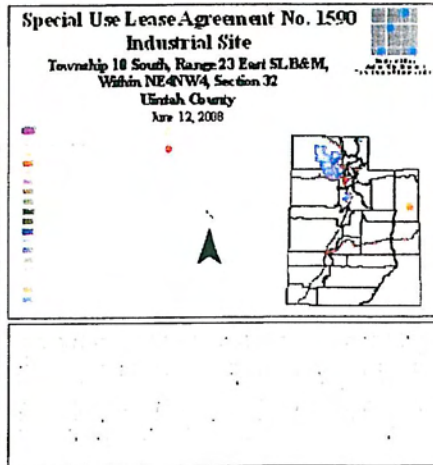
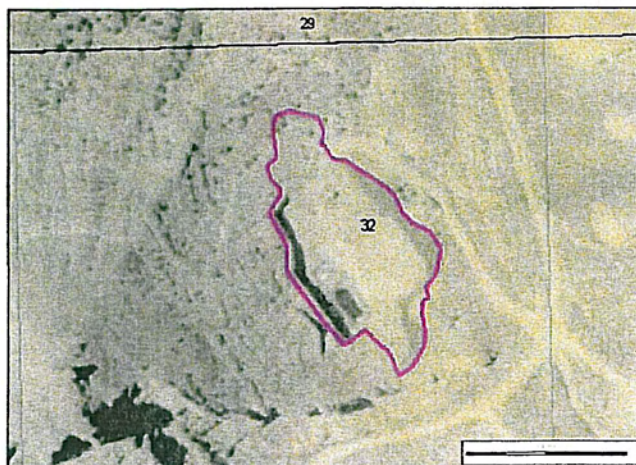
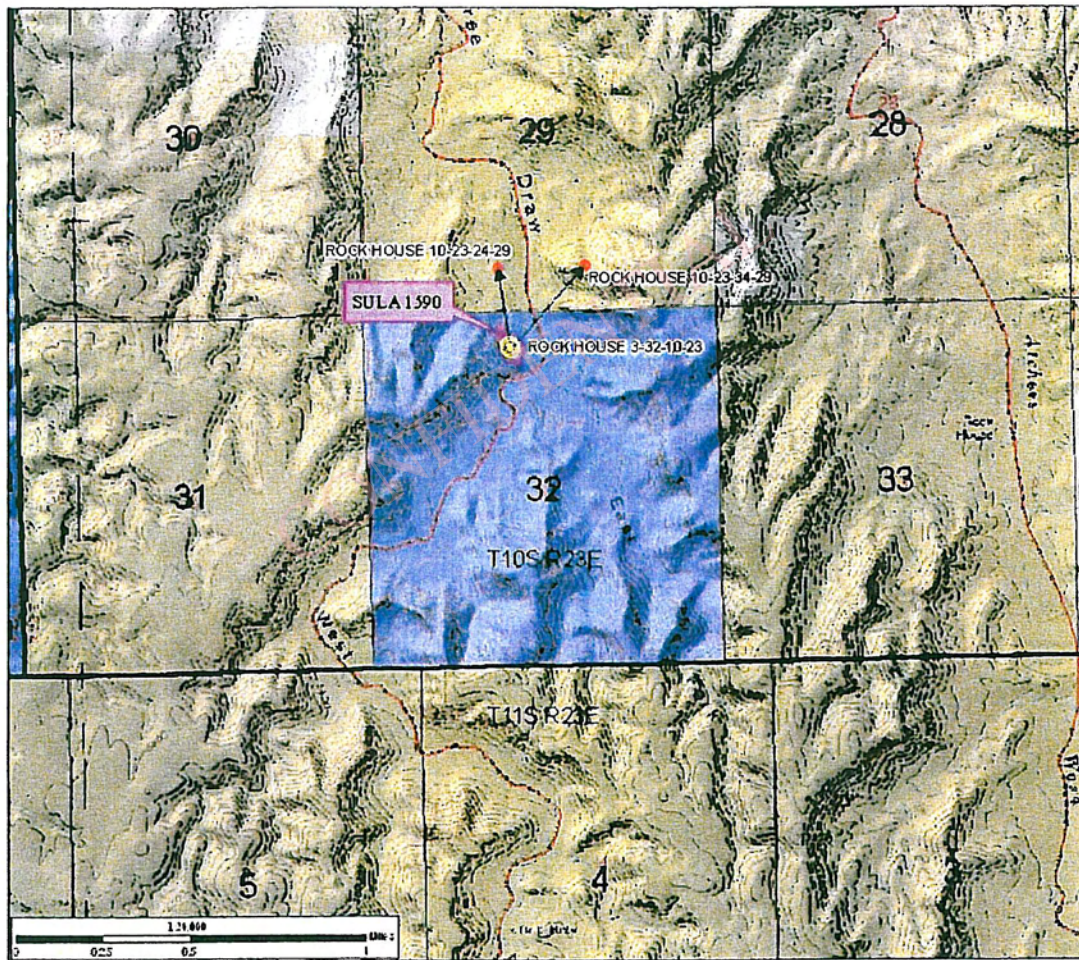


My Commission Expires 09/09/2010

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Exhibit A
Map

CONFIDENTIAL



Well Name	Enduring Resources, LLC ROCK HOUSE 10-23-24-29 43047502910000			
String	Cond	Surf	Prod	
Casing Size(in)	14.000	8.625	4.500	
Setting Depth (TVD)	40	2000	8021	
Previous Shoe Setting Depth (TVD)	0	40	2000	
Max Mud Weight (ppg)	40.0	8.6	9.8	
BOPE Proposed (psi)	0	500	3000	
Casing Internal Yield (psi)	1720	2950	7780	
Operators Max Anticipated Pressure (psi)	4046		9.7	

Calculations	Cond String	14.000	"
Max BHP (psi)	.052*Setting Depth*MW=	83	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	78	NO
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	74	NO
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	74	NO OK
Required Casing/BOPE Test Pressure=		40	psi
*Max Pressure Allowed @ Previous Casing Shoe=		0	psi *Assumes 1psi/ft frac gradient

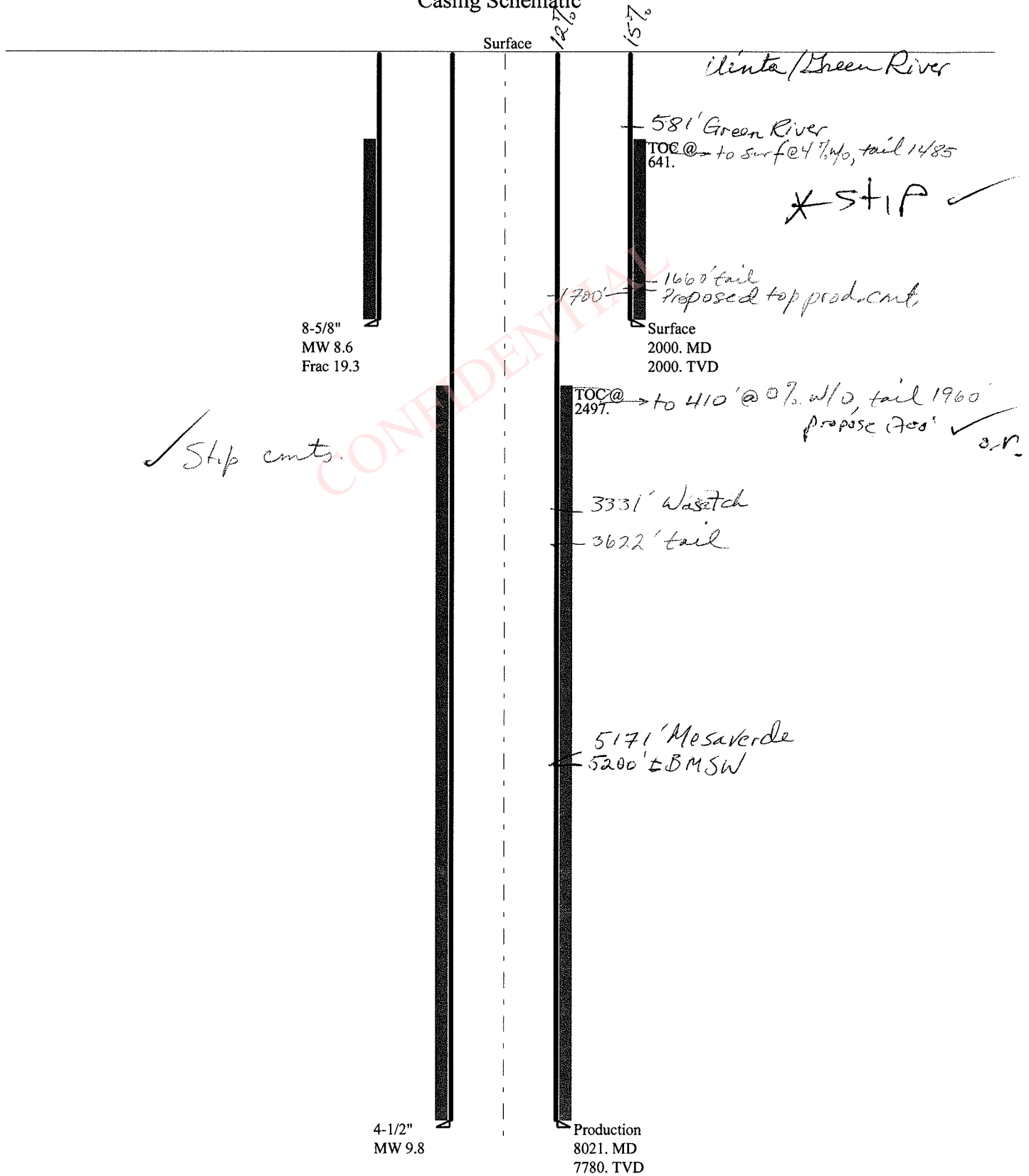
Calculations	Surf String	8.625	"
Max BHP (psi)	.052*Setting Depth*MW=	894	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	654	NO
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	454	YES OK
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	463	NO Reasonable depth in area
Required Casing/BOPE Test Pressure=		2000	psi
*Max Pressure Allowed @ Previous Casing Shoe=		40	psi *Assumes 1psi/ft frac gradient

Calculations	Prod String	4.500	"
Max BHP (psi)	.052*Setting Depth*MW=	4088	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	3125	NO
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	2323	YES OK
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	2763	NO OK
Required Casing/BOPE Test Pressure=		3000	psi
*Max Pressure Allowed @ Previous Casing Shoe=		2000	psi *Assumes 1psi/ft frac gradient

Calculations	String		"
Max BHP (psi)	.052*Setting Depth*MW=		
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=		NO
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=		NO
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=		NO
Required Casing/BOPE Test Pressure=			psi
*Max Pressure Allowed @ Previous Casing Shoe=			psi *Assumes 1psi/ft frac gradient

43047502910000 ROCK HOUSE 10-23-24-29

Casing Schematic



Well name:	43047502910000 ROCK HOUSE 10-23-24-29	
Operator:	Enduring Resources, LLC	
String type:	Surface	Project ID: 43-047-50291
Location:	UINTAH COUNTY	

Design parameters:

Collapse

Mud weight: 8.600 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 74 °F
Bottom hole temperature: 102 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 100 ft

Cement top: 641 ft

Burst

Max anticipated surface pressure: 1,760 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 2,000 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.70 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.
Neutral point: 1,742 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 7,780 ft
Next mud weight: 9.800 ppg
Next setting BHP: 3,961 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,000 ft
Injection pressure: 2,000 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost (\$)
1	2000	8.625	24.00	J-55	ST&C	2000	2000	7.972	10295
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
1	893	1370	1.533	2000	2950	1.48	48	244	5.08 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Mining

Phone: 801 538-5357
FAX: 801-359-3940

Date: September 1, 2009
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 2000 ft, a mud weight of 8.6 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	43047502910000 ROCK HOUSE 10-23-24-29	
Operator:	Enduring Resources, LLC	
String type:	Production	Project ID: 43-047-50291
Location:	UINTAH COUNTY	

Design parameters:

Collapse

Mud weight: 9.800 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 74 °F
Bottom hole temperature: 183 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 100 ft

Cement top: 2,497 ft

Burst

Max anticipated surface pressure: 2,249 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 3,961 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.60 (B)

Tension is based on air weight.
Neutral point: 6,881 ft

Directional Info - Build & Drop

Kick-off point 2072 ft
Departure at shoe: 1172 ft
Maximum dogleg: 3 °/100ft
Inclination at shoe: 0 °

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost (\$)
1	8021	4.5	11.60	N-80	LT&C	7780	8021	3.875	33034

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
1	3961	6350	1.603	3961	7780	1.96	90.2	223	2.47 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Mining

Phone: 801 538-5357
FAX: 801-359-3940

Date: September 1, 2009
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 7780 ft, a mud weight of 9.8 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

Enduring Resources, LLC
Rock House 10-23-24-29 Well

SESW 29-10S-23E (BHL)
BLM Oil & Gas Lease No. UTU-75109

NENW 32-10S-23E (SHL)
SITLA Special Use Permit No. 1590

Uintah County, Utah

This well will be directionally drilled from the Rock House 3-32-10-23 well pad.

ONSHORE OIL & GAS ORDER NO. 1
MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Directions to the proposed location are as follows:

FROM THE INTERSECTION OF U.S. HIGHWAY 40 AND 500 EAST STREET IN VERNAL, UTAH PROCEED IN AN EASTERLY THEN SOUTHERLY DIRECTION ALONG U.S. HIGHWAY 40 APPROXIMATELY 3.3 MILES TO THE JUNCTION OF STATE HIGHWAY 45; EXIT RIGHT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 45 APPROXIMATELY 40.5 MILES TO THE JUNCTION OF THE DRAGON ROAD (COUNTY B ROAD 4180). THIS ROAD IS LOCATED APPROXIMATELY 4.8 MILES SOUTH OF BONANZA, UTAH. EXIT LEFT AND PROCEED IN A SOUTHEASTERLY DIRECTION ALONG COUNTY B ROAD 4180 APPROXIMATELY 4.0 MILES TO THE JUNCTION OF THE KINGS WELLS ROAD (COUNTY B ROAD 4190). EXIT RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION ALONG COUNTY B ROAD 4190 APPROXIMATELY 8.7 MILES TO THE JUNCTION OF THE ATCHEE RIDGE ROAD (COUNTY B ROAD 4270). CONTINUE ALONG COUNTY B ROAD 4190 IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 4.3 MILES TO THE JUNCTION OF THE LONG DRAW ROAD (COUNTY B ROAD 4260). CONTINUE ALONG COUNTY B ROAD 4190 IN A SOUTHERLY, THEN WESTERLY DIRECTION APPROXIMATELY 4.0 MILES TO THE JUNCTION OF COUNTY B ROAD 4160. EXIT RIGHT AND PROCEED IN A NORTHERLY DIRECTION ALONG COUNTY B ROAD 4160 APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THE BITTER CREEK ROAD (COUNTY B ROAD 4120). EXIT LEFT AND PROCEED IN A WESTERLY DIRECTION ALONG COUNTY B ROAD 4120 APPROXIMATELY 1.9 MILES TO THE JUNCTION OF COUNTY B ROAD 4230. EXIT RIGHT AND PROCEED IN A NORTHERLY DIRECTION ALONG COUNTY B ROAD 4230 APPROXIMATELY 0.9 MILES TO THE JUNCTION OF THE ATCHEES WASH ROAD (COUNTY B ROAD 4240). EXIT RIGHT AND PROCEED IN A NORTHERLY DIRECTION ALONG COUNTY B ROAD 4240 APPROXIMATELY 2.7 MILES TO THE INTERSECTION OF A CLASS D COUNTY ROAD. EXIT LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 1.4 MILES TO THE INTERSECTION OF THE SADDLETREE DRAW ROAD (COUNTY B ROAD 4230); EXIT RIGHT AND PROCEED IN A NORTHERLY DIRECTION ALONG COUNTY B ROAD 4230 APPROXIMATELY 5.1 TO THE INTERSECTION OF A SERVICE

ROAD. EXIT LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION ALONG THE SERVICE ROAD APPROXIMATELY 0.1 MILES TO THE EXISTING ROCK HOUSE 3-32-10-23 LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE ROCK HOUSE 3-32-10-23 WELL LOCATION IS APPROXIMATELY 77.4 MILES IN A SOUTHEASTERLY DIRECTION.

2. Planned Access Roads:

This well will be directionally drilled from the Houston Exploration Company Rockhouse 3-32-10-23 well pad. It is anticipated that no new road or pipeline will be constructed. Please refer to Topo Map "B" for the well access.

The current access road will be utilized to transport personnel, equipment and supplies to and from the proposed well site during drilling, completion and production operations. The road will be utilized year round.

Surface disturbance and vehicular traffic will be limited to the current location and access route. Any additional area needed will be approved in advance. If any needed, all construction shall be in conformance with the standards outlined in the BLM and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development. 1989.

The road surface and shoulders will be kept in a safe usable condition and will be maintained in accordance with the original construction standards. All drainage ditches will be kept clear and free flowing and will be maintained according to original construction standards. The access road surface will be kept free of trash during operations. All traffic will be confined to the approved disturbed surface. Road drainage crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the road bed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided. When snow is removed from the road during the winter months, the snow shall be pushed outside of the borrow ditches and the turnouts kept clear so that snowmelt will be channeled away from the road.

3. Location of Existing Wells within a One-Mile radius (See "Topo" Map "C" attached):

The following wells are wells located within a one (1) mile radius of the proposed location.

- | | | |
|----|-------|------------------|
| a. | None: | Water Wells: |
| b. | None: | Injection Wells: |
| c. | Five: | Producing Wells: |
| | 1. | Rock House 2D-32 |
| | 2. | Rock House 6D-32 |

- 3. Rock House 12D-32
- 4. Rock House 10D-32
- 5. Rock House 3-32-10-23
- d. None: Drilling Wells:
- e. None: Shut-in Wells:
- f. None: Temporarily Abandoned Wells:
- g. None: Disposal Wells:
- h. None: Abandoned Wells:
- i. None: Dry Holes:
- j. None: Observation Wells:
- k. Various: Enduring Resources has 8 other wells staked w/l one mile of this well.

4. Location of Existing and/or Proposed Facilities:

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain fluids (i.e. production tanks, produced water tanks and/or heater treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank and be independent of the back cut.

All permanent (on site for six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earth tone color to match one of the standard environmental colors, as determined by the rocky Mountain Five State Inter-Agency Committee

All facilities will be painted within 6 months of installation. The color shall be as the tanks and production equipment for the Rock House 3-32-10-23 Well. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Gas Gathering Pipeline:	ON-LEASE	-0'	BLM
	OFF-LEASE	-0'	BLM

If the well is capable of economic production, **the well shall tie-in to the pipeline to the Rock House 3-32-10-23 Well. No new pipeline shall be required. The gas meter run will be located within 500 feet of the wellhead. The meter run will be housed. The gas gathering line will be buried or anchored down from the wellhead to the meter.**

Upon plugging and abandonment, the gas gathering line will be removed and the disturbed area will be re-contoured and restored as near as practical to the original condition. If necessary, re-seeding operations will be performed after completion of other reclamation operations. **However, the gas gathering line shall not be**

removed until the last well on this pad stops producing.

5. Location and Type of Water Supply:

Whenever practical, water will be obtained from Enduring Resources LLC Water Right Number 49-2215 or Water Right Number 49-2216 (*See Townships of permitted Use below). If those sources are not available, a new water source shall be submitted prior to commencing operations. (These permits have one-year terms and then must be renewed)

*Enduring Water Permits' Townships of Use:

T10S-R22E	T11S-R22E	T12S-R22E
<u>T10S-R23E</u>	T11S-R23E	T12S-R23E
T10S-R24E	T11S-R24E	T12S-R24E

Water will be hauled to the location over the roads marked on "Topo" Maps "A" and "B."

No water well is to be drilled on this lease.

6 Source of Construction Materials:

Surface and subsoil materials in the immediate area will be utilized for location and access road construction.

Any gravel will be obtained from a commercial source; however, gravel sized rock debris associated with location and access road construction may be used as access road surfacing material.

7. Methods of Handling Waste Materials:

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break or allow discharge of liquids.

The reserve pit will be lined with ¼ felt and a minimum of 16 mm plastic with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the will be disposed of in the pit.

A chemical portable toilet will be furnished with the drilling rig. The toilet will be replaced periodically utilizing a licensed contractor to transport by truck the portable chemical toilet so that its contents can be delivered to the Vernal Wastewater Treatment Facility in accordance with state and county regulations.

Garbage, trash and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported or disposed of in association with the drilling, completion or testing of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported or disposed of in association with the drilling, completion or testing of this well.

Produced oil will be stored in an oil tank and then hauled by truck to a crude purchaser facility. Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to an approved disposal site.

8. Ancillary Facilities:

During drilling operations, approximately 20 days, the site will be a manned camp. Three or four additional trailers will be on location to serve as the crews' housing and eating facilities. These will be located on the perimeter of the pad site within the topsoil stockpiles. Refer to Sheet 4.

9. Well Site Layout: (Refer to Sheets #2, #3, and #4)

The attached Location Layout Diagrams described drill pad cross-sections, cuts and fills and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s) and surface material stockpiles(s).

Please see the attached diagram for rig orientation and access roads.

The top soil will be windrowed rather than piled. It will be reseeded and track walker at the time the location is constructed. Seeding will be with the determined during the onsite. (Refer to "Seed Mixture for Windrowed Top Soil Will included:" following herein.

The top soil removed from the pit area will be store separately and will not be reseeded until the pit is reclaimed.

All pits shall be fence to the following minimum standards:

- a. 39 inch net wire shall be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- b. The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches over the new wire. Total height of the fence shall be at least 42 inches.
- c. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- d. Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two fence posts shall be no greater than 16 feet.
- e. All wire shall be stretched by, using a stretching device, before it is attached to corner posts.
- f. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.
- g. Location size may change prior to drilling the well due to the current rig availability. If the proposed location is not large enough to accommodate the drilling, the location will be re-surveyed and a Form 9 will be submitted.

10. Plans for Surface Reclamation:

Producing Location:

- a. Immediately (**unless an additional directional well is drilled from this pad within nine months**) upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, materials, trash and debris not required for production.
- b. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 40CFR 3162.7.
- c. Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.
- d. The reserve pit and that portion of the location not needed for production facilities/operations (**unless an additional directional well is drilled from this pad within nine months**) will be re-contoured to the approximated natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.
- e. To prevent surface water(s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface 3 feet above surrounding round surface to allow the reclaimed pit area to drain effectively.
- f. Upon completion of back filling, leveling and re-contouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole/Abandoned Location:

- i. Abandoned well sites, roads and other disturbed areas will be restored as nearly as practical to their original condition **(when the last well on this pad is plugged)**. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions and re-establishment of vegetation as specified.
- ii. All disturbed surfaces will be re-contoured to the approximated natural contours with reclamation of the well pad and access road to be performed as soon as practical after final abandonment **of the last well on the pad**. If necessary, re-seeding operations will be performed after completion of other reclamation operations.

Seed Mixture for Windrowed Top Soil Will Included:

11. Surface Ownership: Location, Access and Pipeline Route:

Wellsite: SITLA (built)

Access: SITLA (built)

Pipeline: SITLA (already constructed and in place)

12. Other Information

On-site Inspection for Location, Access and Pipeline Route:

The on-site for this new surface location will be conducted by the DOG&M.
The BLM also conducted an on-site on August 18, 2009.

Special Conditions of Approval:

None.

Archeology:

- a. A new Cultural Resource Inventory Report has not been requested, however, a Cultural Resource Inventory report was prepared prior to the Rock House 3-32-10-23 being drilled.

Paleontology:

- a. A new Paleontology Reconnaissance Report was not requested, however, a Paleontology Reconnaissance Report was prepared prior to the Rock House 3-32-10-23 pad being built.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the Antiquities Act of June 8, 1906) are discovered, all operations which would affect such sites will be suspended and the discovery reported promptly to the surface management agency.

13, Lessee's or Operator's Representative and Certification:

Representatives:

Alvin R. (Al) Arlian
Landman – Regulatory Specialist
Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, Colorado 80202
Office Tel: 303-350-5114
Fax Tel: 303-573-0461
aarlian@enduringresources.com

Teme Singleton
Drilling Engineer
Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, Colorado 80202
Office Tel: 303-573-5711
Fax Tel: 303-573-0461
fhutto@enduringresources.com

Certification:

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Enduring Resources, LLC is considered to be the operator of the subject well. Enduring Resources, LLC agrees to be responsible under the terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 DFR 3104 for the lease activities is being provided by BLM Statewide bond #UTB000173.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions with currently exist; that the statement made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by enduring resources, LLC and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Alvin R. Arlian
Landman-Regulatory-Specialist

September 16, 2009
Date:

From: Jim Davis
To: Mason, Diana
CC: Bonner, Ed; Garrison, LaVonne; Higgins, Kurt
Date: 2/25/2010 12:05 PM
Subject: Rock House 10-23-24-29

The following APD has been approved by SITLA's surface group.

Enduring's Rock House 10-23-24-29 API# 4304750291.

Thanks.

-Jim

Jim Davis
Utah Trust Lands Administration
jimdavis1@utah.gov
Phone: (801) 538-5156

CONFIDENTIAL

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator	ENDURING RESOURCES, LLC				
Well Name	ROCK HOUSE 10-23-24-29				
API Number	43047502910000	APD No	1303	Field/Unit	NATURAL BUTTES
Location: 1/4,1/4	NENW	Sec	32	Tw	10.0S Rng 23.0E 502 FNL 2138 FWL
GPS Coord (UTM)	640868 4419000	Surface Owner			

Participants

Floyd Bartlett (DOGM), Carroll Estes (Enduring Resources), Anna Figueroa (BLM), Miles Hanberg and Alex Hansen (UDWR).

Regional/Local Setting & Topography

The proposed Rock House 10-23-24-29 well lies along the side of the bottom of Saddle Tree Draw on an existing pad with the Rock House 3-32-10-23 and 11-32-10-23 gas wells operated by Enduring Resources. It will be directionally drilled from SITLA surface to minerals owned by the Federal Government and administered by the BLM.

Saddle Tree Draw is an ephemeral wash only flowing during the spring runoff and intense summer rainstorms. The White River is approximately 1-1/2 miles downstream to the north. No springs or seeps are known in the area. The location is approximately 12 air miles south west of Bonanza Ut, and approximately 77.4 road miles southeast of Vernal, UT. Access from Bonanza is by State Highway, Uintah County and oilfield development roads to the existing pad.

Topography in the general area is broad canyon bottoms separated by steep and often ledgey side-slopes, which top out onto broad ridge tops. Frequent outwash plains and deposits occur along the sides of the major bottoms. The ridge top to be used as access is frequently broken with side draws leaving near the top.

No changes will be made to the existing location except to re-dig the reserve pit in the previous location. The existing pad is stable and adequate for drilling and operating the proposed additional well.

Surface Use Plan

Current Surface Use

Existing Well Pad

New Road Miles	Well Pad	Src Const Material	Surface Formation
0	Width Length		

Ancillary Facilities

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetlands

Flora / Fauna

Existing Well Pad

Soil Type and Characteristics

Erosion Issues

Sedimentation Issues

Site Stability Issues

Drainage Diversion Required?

Berm Required?

Erosion Sedimentation Control Required?

Paleo Survey Run?

Paleo Potential Observed?

Cultural Survey Run?

Cultural Resources?

Reserve Pit

Site-Specific Factors

Site Ranking

Distance to Groundwater (feet)	>200	0
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)		20
Native Soil Type	High permeability	20
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)		0
Affected Populations		
Presence Nearby Utility Conduits	Not Present	0
Final Score		45

1 Sensitivity Level

Characteristics / Requirements

A pit 75' x 125' x 15' deep is planned. It will be lined with felt subliner and a 20-mil liner.

Closed Loop Mud Required? N Liner Required? Y Liner Thickness 20 Pit Underlayment Required? Y

Other Observations / Comments

Floyd Bartlett
Evaluator

8/18/2009
Date / Time

Application for Permit to Drill Statement of Basis

3/1/2010

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Owner	CBM
1303	43047502910000	LOCKED	GW	S	No
Operator	ENDURING RESOURCES, LLC		Surface Owner-APD		
Well Name	ROCK HOUSE 10-23-24-29		Unit		
Field	NATURAL BUTTES		Type of Work	DRILL	
Location	NENW 32 10S 23E S 502 FNL 2138 FWL GPS Coord (UTM) 640880E 4418998N				

Geologic Statement of Basis

Enduring proposes to set 2,000 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 5,200 feet. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the proposed location. The surface formation at this location is the Uinta/Green River Formation transition. The Uinta Formation is made up of discontinuous sands interbedded with shales and are not expected to produce prolific aquifers. The Green River Formation is made up of interbedded limestones, shales and sandstones. Fresh water aquifers can be found in the Green River Formation and should be protected. The proposed surface casing should adequately protect any potentially useable aquifers. Production casing cement should be brought up above the base of the moderately saline ground water in order to isolate it from fresher waters uphole.

Brad Hill
APD Evaluator

8/25/2009
Date / Time

Surface Statement of Basis

The proposed Rock House 10-23-24-29 well lies along the side of the bottom of Saddle Tree Draw on an existing pad with the Rock House 3-32-10-23 and 11-32-10-23 gas wells operated by Enduring Resources. It will be directionally drilled from SITLA surface to minerals owned by the Federal Government and administered by the BLM.

Saddle Tree Draw is an ephemeral wash only flowing during the spring runoff and intense summer rainstorms. The White River is approximately 1-1/2 miles downstream to the north. No springs or seeps are known in the area. The location is approximately 12 air miles south west of Bonanza Ut, and approximately 77.4 road miles southeast of Vernal, UT. Access from Bonanza is by State Highway, Uintah County and oilfield development roads to the existing pad.

Topography in the general area is broad canyon bottoms separated by steep and often ledgey side-slopes, which top out onto broad ridge tops. Frequent outwash plains and deposits occur along the sides of the major bottoms. The ridge top to be used as access is frequently broken with side draws leaving near the top.

No changes will be made to the existing location except to re-dig the reserve pit in the previous location. The existing pad is stable and adequate for drilling and operating the proposed additional well. Ms. Figueroa of the BLM had no concerns regarding the proposal. Mr. Jim Davis of SITLA was invited to the evaluation but did not attend. The area is classified as substantial value habitat for deer by the UDWR. They however recommended no restrictions.

Floyd Bartlett
Onsite Evaluator

8/18/2009
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
-----------------	------------------

Application for Permit to Drill Statement of Basis

3/1/2010

Utah Division of Oil, Gas and Mining

Page 2

Pits	A synthetic liner each with a minimum thickness of 20 mils and an appropriate thickness of felt sub-liner to cushion the liners shall be properly installed and maintained in the reserve pit.
Surface	The reserve pit shall be fenced upon completion of drilling operations.

CONFIDENTIAL

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 3/10/2009

API NO. ASSIGNED: 43047502910000

WELL NAME: ROCK HOUSE 10-23-24-29

OPERATOR: Enduring Resources, LLC (N2750)

PHONE NUMBER: 303 350-5114

CONTACT: Alvin Arlian

PROPOSED LOCATION: NENW 32 100S 230E

Permit Tech Review: ☒

SURFACE: 0502 FNL 2138 FWL

Engineering Review: ☒

BOTTOM: 0660 FSL 1980 FWL

Geology Review: ☒

COUNTY: UINTAH

LATITUDE: 39.91125

LONGITUDE: -109.35179

UTM SURF EASTINGS: 640880.00

NORTHINGS: 4418998.00

FIELD NAME: NATURAL BUTTES

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-75109

PROPOSED PRODUCING FORMATION(S): MESA VERDE

SURFACE OWNER: 3 - State

COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

☒ **PLAT**

☒ **Bond:** FEDERAL - UTB000173

☐ **Potash**

☐ **Oil Shale 190-5**

☐ **Oil Shale 190-3**

☐ **Oil Shale 190-13**

☒ **Water Permit:** 49-222

☐ **RDCC Review:**

☐ **Fee Surface Agreement**

☐ **Intent to Commingle**

Commingle Approved

LOCATION AND SITING:

☐ **R649-2-3.**

Unit:

☐ **R649-3-2. General**

☐ **R649-3-3. Exception**

☒ **Drilling Unit**

Board Cause No: R649-3-11

Effective Date:

Siting:

☒ **R649-3-11. Directional Drill**

Comments: Presite Completed

Stipulations: 5 - Statement of Basis - bhill
15 - Directional - dmason
23 - Spacing - dmason
25 - Surface Casing - hmacdonald



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Permit To Drill

Well Name: ROCK HOUSE 10-23-24-29

API Well Number: 43047502910000

Lease Number: UTU-75109

Surface Owner: STATE

Approval Date: 3/1/2010

Issued to:

Enduring Resources, LLC, 475 17th Street, Suite 1500, Denver, CO 80202

Authority:

Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of R649-3-11. The expected producing formation or pool is the MESA VERDE Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

General:

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

Conditions of Approval:

In accordance with Utah Admin. R. 649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

Surface casing shall be cemented to the surface.

Notification Requirements:

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- Within 24 hours following the spudding of the well – contact Carol Daniels at 801-538-5284 (please leave a voicemail message if not available)

OR

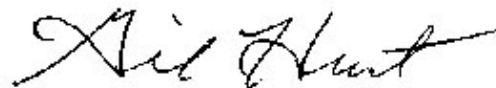
submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at <https://oilgas.ogm.utah.gov>

Reporting Requirements:

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) – due within 5 days of spudding the well
- Monthly Status Report (Form 9) – due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) – due prior to implementation
- Written Notice of Emergency Changes (Form 9) – due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
- Report of Water Encountered (Form 7) – due within 30 days after completion
- Well Completion Report (Form 8) – due within 30 days after completion or plugging

Approved By:

A handwritten signature in black ink, appearing to read "Gil Hunt", with a stylized, cursive script.

Gil Hunt
Associate Director, Oil & Gas

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9																														
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-75109																														
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:																														
2. NAME OF OPERATOR: Enduring Resources, LLC		7. UNIT or CA AGREEMENT NAME:																														
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 , Denver, CO, 80202		8. WELL NAME and NUMBER: ROCK HOUSE 10-23-24-29																														
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0502 FNL 2138 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENW Section: 32 Township: 10.0S Range: 23.0E Meridian: S		9. API NUMBER: 43047502910000																														
PHONE NUMBER: 303 350-5114 Ext		9. FIELD and POOL or WILDCAT: NATURAL BUTTES																														
COUNTY: UINTAH		STATE: UTAH																														
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA																																
TYPE OF SUBMISSION <input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 3/1/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	TYPE OF ACTION <table style="width: 100%; border: none;"> <tr> <td><input type="checkbox"/> ACIDIZE</td> <td><input type="checkbox"/> ALTER CASING</td> <td><input type="checkbox"/> CASING REPAIR</td> </tr> <tr> <td><input type="checkbox"/> CHANGE TO PREVIOUS PLANS</td> <td><input type="checkbox"/> CHANGE TUBING</td> <td><input type="checkbox"/> CHANGE WELL NAME</td> </tr> <tr> <td><input type="checkbox"/> CHANGE WELL STATUS</td> <td><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS</td> <td><input type="checkbox"/> CONVERT WELL TYPE</td> </tr> <tr> <td><input type="checkbox"/> DEEPEN</td> <td><input type="checkbox"/> FRACTURE TREAT</td> <td><input type="checkbox"/> NEW CONSTRUCTION</td> </tr> <tr> <td><input type="checkbox"/> OPERATOR CHANGE</td> <td><input type="checkbox"/> PLUG AND ABANDON</td> <td><input type="checkbox"/> PLUG BACK</td> </tr> <tr> <td><input type="checkbox"/> PRODUCTION START OR RESUME</td> <td><input type="checkbox"/> RECLAMATION OF WELL SITE</td> <td><input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION</td> </tr> <tr> <td><input type="checkbox"/> REPERFORATE CURRENT FORMATION</td> <td><input type="checkbox"/> SIDETRACK TO REPAIR WELL</td> <td><input type="checkbox"/> TEMPORARY ABANDON</td> </tr> <tr> <td><input type="checkbox"/> TUBING REPAIR</td> <td><input type="checkbox"/> VENT OR FLARE</td> <td><input type="checkbox"/> WATER DISPOSAL</td> </tr> <tr> <td><input type="checkbox"/> WATER SHUTOFF</td> <td><input type="checkbox"/> SI TA STATUS EXTENSION</td> <td><input checked="" type="checkbox"/> APD EXTENSION</td> </tr> <tr> <td><input type="checkbox"/> WILDCAT WELL DETERMINATION</td> <td><input type="checkbox"/> OTHER</td> <td>OTHER: <input style="width: 100px;" type="text"/></td> </tr> </table>		<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input checked="" type="checkbox"/> APD EXTENSION	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>
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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Request an one-year extension to APD termination date.																																
<p style="color: red; font-weight: bold; margin: 0;">Approved by the Utah Division of Oil, Gas and Mining</p> <p style="color: red; font-weight: bold; margin: 0;">Date: 03/01/2011</p> <p style="color: red; font-weight: bold; margin: 0;">By: </p>																																
NAME (PLEASE PRINT) Alvin Arlian		PHONE NUMBER 303 350-5114																														
SIGNATURE N/A		TITLE Landman-Regulatory																														
DATE 2/28/2011																																



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047502910000

API: 43047502910000

Well Name: ROCK HOUSE 10-23-24-29

Location: 0502 FNL 2138 FWL QTR NENW SEC 32 TWNP 100S RNG 230E MER S

Company Permit Issued to: ENDURING RESOURCES, LLC

Date Original Permit Issued: 3/1/2010

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☐ Yes ☒ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

Signature: Alvin Arlian

Date: 2/28/2011

Title: Landman-Regulatory **Representing:** ENDURING RESOURCES, LLC

RECEIVED Feb. 28, 2011

RECEIVED

Form 3160-3
(April 2004)

MAY 22 2006

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

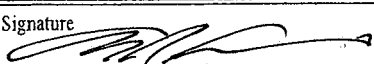
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-75109
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator Enduring Resources, LLC		7. If Unit or CA Agreement, Name and No. N/A
3a. Address 475 17th Street, Suite 1500 Denver, CO 80202		8. Lease Name and Well No. Rock House 10-23-24-29
3b. Phone No. (include area code) 303-350-5114		9. API Well No. 43-041-50291
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 502' FNL 2138' FWL NENW Sec 32-10S-23E At proposed prod. zone 660' FSL -1980' FWL SESW Sec 29-10S-23E		10. Field and Pool, or Exploratory undesignated
14. Distance in miles and direction from nearest town or post office* 77.4 miles Southeast of Vernal, Utah		11. Sec., T. R. M. or Blk. and Survey or Area Sec 32 T10S R23E S.L.B.&M.
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660' BHL	16. No. of acres in lease 640	17. Spacing Unit dedicated to this well 40 acres
18. Distance from proposed location* to nearest well, drilling completed, applied for, on this lease, ft. 25' Surface 1,200' BHL	19. Proposed Depth 7780'	20. BLM/BIA Bond No. on file BLM - UTB000173
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5201' KB-RT	22. Approximate date work will start* 07/01/2006	23. Estimated duration 20 days

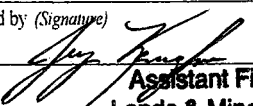
24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed Typed) Alvin R. (Al) Arlian	Date 05/16/2006
--	--	--------------------

Title
Landman - Regulatory Specialist

Approved by (Signature) 	Name (Printed Typed) Jerry Kenczka	Date AUG 03 2011
--	---------------------------------------	---------------------

Title Assistant Field Manager Lands & Mineral Resources	Office VERNAL FIELD OFFICE
---	-------------------------------

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

CONDITIONS OF APPROVAL ATTACHED

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

NOTICE OF APPROVAL

RECEIVED

AUG 11 2011

DIV. OF OIL, GAS & MINING

UDOGM

NOS 02/06/2006

06BM2218A



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Enduring Resources, LLC
Well No: Rock House 10-23-24-29
API No: 43-047-50291

Location: NENW, Sec. 32, T10S, R23E
Lease No: UTU-75109
Agreement: N/A

OFFICE NUMBER: (435) 781-4400

OFFICE FAX NUMBER: (435) 781-3420

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings to: ut_vn_opreport@blm.gov .
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

***SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)***

- All new and replacement internal combustion gas field engines of less than or equal to 300 design-rated horsepower must not emit more than 2 gms of NO_x per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower.
- All and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gms of NO_x per horsepower-hour.
- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner each with a minimum thickness of 20 mils and an appropriate thickness of felt sub-liner to cushion the liners shall be properly installed and maintained in the reserve pit.
Surface	The reserve pit shall be fenced upon completion of drilling operations.

**DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

SITE SPECIFIC DOWNHOLE COAs:

- A surface casing shoe integrity test shall be performed.
- A cement bond log shall be run from TD to the top of cement. A field copy of the log shall be furnished to the BLM Vernal Field Office.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB

or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- For information regarding production reporting, contact the Office of Natural Resources Revenue (ONRR) at www.ONRR.gov.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and/or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid,

and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-75109
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: Enduring Resources, LLC		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 511-16th Street, Suite 700 , Denver, CO, 80202		8. WELL NAME and NUMBER: ROCK HOUSE 10-23-24-29
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0502 FNL 2138 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENW Section: 32 Township: 10.0S Range: 23.0E Meridian: S		9. API NUMBER: 43047502910000
9. FIELD and POOL or WILDCAT: NATURAL BUTTES		COUNTY: UINTAH
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 3/1/2012	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER:
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
 Request an one-year extension to APD expiration date.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: March 12, 2012

By:

NAME (PLEASE PRINT) Alvin Arlian	PHONE NUMBER 303 350-5114	TITLE Landman-Regulatory
SIGNATURE N/A	DATE 3/5/2012	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047502910000

API: 43047502910000

Well Name: ROCK HOUSE 10-23-24-29

Location: 0502 FNL 2138 FWL QTR NENW SEC 32 TWNP 100S RNG 230E MER S

Company Permit Issued to: ENDURING RESOURCES, LLC

Date Original Permit Issued: 3/1/2010

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☒ Yes ☐ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

Signature: Alvin Arlian

Date: 3/5/2012

Title: Landman-Regulatory Representing: ENDURING RESOURCES, LLC

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-75109
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: Enduring Resources, LLC		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 511-16th Street, Suite 700 , Denver, CO, 80202		8. WELL NAME and NUMBER: ROCK HOUSE 10-23-24-29
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0502 FNL 2138 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENW Section: 32 Township: 10.0S Range: 23.0E Meridian: S		9. API NUMBER: 43047502910000
PHONE NUMBER: 303 350-5114 Ext		9. FIELD and POOL or WILDCAT: NATURAL BUTTES
COUNTY: UINTAH		STATE: UTAH

11.

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 3/1/2013	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"><input type="checkbox"/> ACIDIZE</div> <div style="width: 33%;"><input type="checkbox"/> ALTER CASING</div> <div style="width: 33%;"><input type="checkbox"/> CASING REPAIR</div> <div style="width: 33%;"><input type="checkbox"/> CHANGE TO PREVIOUS PLANS</div> <div style="width: 33%;"><input type="checkbox"/> CHANGE TUBING</div> <div style="width: 33%;"><input type="checkbox"/> CHANGE WELL NAME</div> <div style="width: 33%;"><input type="checkbox"/> CHANGE WELL STATUS</div> <div style="width: 33%;"><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS</div> <div style="width: 33%;"><input type="checkbox"/> CONVERT WELL TYPE</div> <div style="width: 33%;"><input type="checkbox"/> DEEPEN</div> <div style="width: 33%;"><input type="checkbox"/> FRACTURE TREAT</div> <div style="width: 33%;"><input type="checkbox"/> NEW CONSTRUCTION</div> <div style="width: 33%;"><input type="checkbox"/> OPERATOR CHANGE</div> <div style="width: 33%;"><input type="checkbox"/> PLUG AND ABANDON</div> <div style="width: 33%;"><input type="checkbox"/> PLUG BACK</div> <div style="width: 33%;"><input type="checkbox"/> PRODUCTION START OR RESUME</div> <div style="width: 33%;"><input type="checkbox"/> RECLAMATION OF WELL SITE</div> <div style="width: 33%;"><input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION</div> <div style="width: 33%;"><input type="checkbox"/> REPERFORATE CURRENT FORMATION</div> <div style="width: 33%;"><input type="checkbox"/> SIDETRACK TO REPAIR WELL</div> <div style="width: 33%;"><input type="checkbox"/> TEMPORARY ABANDON</div> <div style="width: 33%;"><input type="checkbox"/> TUBING REPAIR</div> <div style="width: 33%;"><input type="checkbox"/> VENT OR FLARE</div> <div style="width: 33%;"><input type="checkbox"/> WATER DISPOSAL</div> <div style="width: 33%;"><input type="checkbox"/> WATER SHUTOFF</div> <div style="width: 33%;"><input type="checkbox"/> SI TA STATUS EXTENSION</div> <div style="width: 33%;"><input checked="" type="checkbox"/> APD EXTENSION</div> <div style="width: 33%;"><input type="checkbox"/> WILDCAT WELL DETERMINATION</div> <div style="width: 33%;"><input type="checkbox"/> OTHER</div> </div>
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	
<input type="checkbox"/> SPUD REPORT Date of Spud:	
<input type="checkbox"/> DRILLING REPORT Report Date:	
OTHER: <input style="width: 100px;" type="text"/>	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Request for an one-year extension to APD expiration date.

**Approved by the
 Utah Division of
 Oil, Gas and Mining**

Date: March 04, 2013

By:

NAME (PLEASE PRINT) Alvin Arlian	PHONE NUMBER 303 350-5114	TITLE Landman-Regulatory
SIGNATURE N/A		DATE 2/27/2013



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047502910000

API: 43047502910000

Well Name: ROCK HOUSE 10-23-24-29

Location: 0502 FNL 2138 FWL QTR NENW SEC 32 TWNP 100S RNG 230E MER S

Company Permit Issued to: ENDURING RESOURCES, LLC

Date Original Permit Issued: 3/1/2010

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☒ Yes ☐ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

Signature: Alvin Arlian

Date: 2/27/2013

Title: Landman-Regulatory Representing: ENDURING RESOURCES, LLC

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-75109
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: Enduring Resources, LLC		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 511-16th Street, Suite 700 , Denver, CO, 80202		8. WELL NAME and NUMBER: ROCK HOUSE 10-23-24-29
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0502 FNL 2138 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENW Section: 32 Township: 10.0S Range: 23.0E Meridian: S		9. API NUMBER: 43047502910000
9. FIELD and POOL or WILDCAT: NATURAL BUTTES		COUNTY: UINTAH
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 3/1/2014	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER:
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Request for an extension to APD expiration term until 07/14/2014
 (same date that BLM APD expires).

Approved by the
Utah Division of
Oil, Gas and Mining

Date: March 10, 2014

By:

NAME (PLEASE PRINT) Alvin Arlian	PHONE NUMBER 303 350-5114	TITLE Landman-Regulatory
SIGNATURE N/A	DATE 3/3/2014	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047502910000

API: 43047502910000

Well Name: ROCK HOUSE 10-23-24-29

Location: 0502 FNL 2138 FWL QTR NENW SEC 32 TWNP 100S RNG 230E MER S

Company Permit Issued to: ENDURING RESOURCES, LLC

Date Original Permit Issued: 3/1/2010

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☒ Yes ☐ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

Signature: Alvin Arlian

Date: 3/3/2014

Title: Landman-Regulatory Representing: ENDURING RESOURCES, LLC

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-75109
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL Gas Well		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: Enduring Resources, LLC		8. WELL NAME and NUMBER: ROCK HOUSE 10-23-24-29
3. ADDRESS OF OPERATOR: 511-16th Street, Suite 700 , Denver, CO, 80202	PHONE NUMBER: 303 350-5114 Ext	9. API NUMBER: 43047502910000
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0502 FNL 2138 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENW Section: 32 Township: 10.0S Range: 23.0E Meridian: S		9. FIELD and POOL or WILDCAT: NATURAL BUTTES
		COUNTY: UINTAH
		STATE: UTAH

11.


CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 3/1/2015	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input type="text"/>
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Request for a one year extension to APD expiration date.

Approved by the
March 02, 2015
Oil, Gas and Mining

Date: _____
 By: 

NAME (PLEASE PRINT) Travis Whitham	PHONE NUMBER 303 350-5716	TITLE Landman
SIGNATURE N/A		DATE 2/27/2015



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047502910000

API: 43047502910000

Well Name: ROCK HOUSE 10-23-24-29

Location: 0502 FNL 2138 FWL QTR NENW SEC 32 TWNP 100S RNG 230E MER S

Company Permit Issued to: ENDURING RESOURCES, LLC

Date Original Permit Issued: 3/1/2010

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

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- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

Signature: Travis Whitham

Date: 2/27/2015

Title: Landman

Representing: ENDURING RESOURCES, LLC



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District

Vernal Field Office

170 South 500 East

Vernal, UT 84078

<http://www.blm.gov/ut/st/en/fo/vernal.html>

SEP 09 2015

IN REPLY REFER TO:
3160 (UTG011)

Travis Whitham
Enduring Resources LLC
511 16th Street, Suite 700
Denver, CO 80202

RECEIVED

SEP 22 2015

Re: Notice of Expiration
Well No. Rock House 10-23-24-29 4304750291
NENW, Sec. 32, T10S, R23E
Uintah County, Utah
Lease No. UTU-75109

DIV. OF OIL, GAS & MINING

Dear Mr. Whitham:

The Application for Permit to Drill (APD) for the above-referenced well was approved on August 3, 2011. A two (2) year extension of the original APD was requested. The request was reviewed and the extension approved until August 3, 2015. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your co-operation in this matter is appreciated.

If you have any questions regarding this matter, please contact Robin R. Hansen at (435) 781-3428.

Sincerely,

/s/ Jerry Kenczka

Jerry Kenczka
Assistant Field Manager
Lands & Mineral Resources

cc: UDOGM

bcc: Well File
I&E Asst.



Diana Mason <dianawhitney@utah.gov>

Expired APD

Travis Whitham <TWhitham@enduringresources.com>
To: "dianawhitney@utah.gov" <dianawhitney@utah.gov>

Tue, Mar 15, 2016 at 11:34 AM

Diana,

The BLM did not renew the below APD last year, you can remove it from the database.

ENDURING RESOURCES, LLC	4304750291	ROCK HOUSE 10-23-24-29	DRILL	03/01/2010	03/01/2016
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Thanks,

Travis Whitham

Landman – Enduring Resources

[303-350-5716](#)



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 17, 2016

Travis Whitham
Enduring Resources, LLC
511-16th Street, Suite 700
Denver, CO 80202

Re: APD Rescinded – Rock House 10-23-24-29, Sec. 32, T. 10S, R. 23E
Uintah County, Utah API No. 43-047-50291


Dear Mr. Whitham:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on March 1, 2010. On March 1, 2011, March 12, 2012, March 4, 2013, March 10, 2014 and March 2, 2015 the Division granted a one-year APD extension. On March 15, 2016, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective March 15, 2016.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal

